

Annual Report 2008 - 2009



Table of Contents

Introduction

Plantagenet in Brief	1-2
Shire President's Report.....	3-8
Chief Executive Officer's Report.....	9
Current Councillors	10
Councillors – 2008/2009	11
Senior Staff	12
Summary of Activities for 2008/2009.....	13-26
Statutory Reporting	27-29
Freedom of Information	30-31
Information Statement.....	32-38

Financial Report

Independent Audit Report	39-41
Table of Contents	42
Statement by Chief Executive Officer	43
Income Statement.....	44-45
Balance Sheet	46
Statement of Changes of Equity	47
Cash Flow Statement.....	48
Rate Setting Statement	49
Notes to and forming part of the Financial Report.....	50-91

Administration Details

Shire of Plantagenet
Lowood Road
(PO Box 48)
Mount Barker WA 6324

Telephone: (08) 9892 1111
Fax: (08) 9892 1100
Email: info@plantagenet.wa.gov.au
Website: www.plantagenet.wa.gov.au

Plantagenet in Brief

The Shire of Plantagenet is a local government area in the Great Southern region of Western Australia.

The Shire's administrative centre, Mount Barker serves a wide and diverse agricultural area, including the settlements of Kendenup, Narrikup, Rocky Gully and Porongurup.

The region is noted for agriculture, principally wheat, sheep, beef cattle, canola and olives. Since the 1960's, Plantagenet has become a significant wine growing area, with a number of vineyards and wine makers in the region. Plantations of Tasmanian Blue Gums have also become a major industry in the shire.



Mount Barker was first explored in late 1829, nearly four years after the establishment of the penal colony at Albany. The penal colony's surgeon Dr Thomas Braidwood Wilson with a small party consisting of two convicts, an Aboriginal guide named Mokare, a soldier and a Mr Kent, Albany's commissariat officer, set off from Albany on 2 December 1829 to explore the hinterland. They reached Mount Barker (which was named after Captain Collett Barker, the settlement's commandant) in late 1829 and then turned west and south reaching the coast near the present day site of Denmark.

Wilson's report on the area was favourable. Upon his return he wrote of one of the local creeks '*we observed that its banks were covered with luxuriant grass, sprinkled with yellow buttercups which put us in mind of home*' and that the '*gently swelling lightly wooded adjacent hills are well adapted for sheep-walks*'.

The first settler into the area was Sir Richard Spencer, the Government Resident in Albany. In 1835 he bought 1,940 acres from Captain James Stirling who had been granted 100,000 acres in the area. This farm was an immediate success and although Spencer died in 1839 his wife continued to operate the farm until her death in 1855.

A rough track was eventually established between Perth and Albany which had reached Mount Barker by late 1835 and by 1860 the traffic on the track was sufficient for William Cooper to build the Bush Inn to cater for passing trade.

The Plantagenet Road Board was gazetted on 24 January 1871 as one of 18 elected boards to manage roads and services in Western Australia, and initially included a reasonably large section of the Great Southern Region. On 1 July 1961, it became the Shire of Plantagenet following changes to the Local Government Act.

The area has always been agriculturally rich. Mixed farming was established towards the end of the nineteenth century and by 1910 there were 75 commercial orchards (mostly concentrating on apple growing) in the area. In 1917 the Mount Barker Fruitgrowers Cool Storage Co-operative was established. It was closed in 1975 and the orchards have largely given way to a thriving grape growing industry with high quality vineyards producing a range of excellent wines.

Plantagenet in Brief

The Shire has some spectacular scenery such as the Porongurup National Park which lies east of Mount Barker and covers 2,350 ha. The Porongurup Range boasts a number of good walks and unusual rock formations such as Castle Rock and the Balancing Rock. The Stirling Range to the north is breathtaking, being one of the few true rugged mountain ranges in Western Australia. It is one of the world's most spectacular wildflower areas with approximately 1,525 species of plants, of which 87 are found nowhere else in the world.

The chief historical attraction in Mount Barker is the old Police Station Museum. Built in 1867-68 by a convict road party, it originally consisted of a living quarters, coach house and stables for the police horses. Today it is an unusual thematic museum with each room being a careful recreation of the way the rooms were used originally.



Plantagenet at a Glance

• Distance from Perth (from Mount Barker)	359 km
• Distance from Albany (from Mount Barker)	51 km
• Population	4,484 (2006 census)
• Area	4,792 km ²
• Number of elected members	9
• Number of dwellings	2,184
• Number of rate assessments	3,467
• Length of sealed roads	326 km
• Length of unsealed roads	908 km
• Number of electors	3,229
• Number of bushfire brigades	12



I have great pleasure in providing the ratepayers and residents of the Shire of Plantagenet with this overview of goals and achievements reached during the financial year ending 30 June 2009. It was another very productive year with a number of initiatives being progressed, including:

- New Porongurup bush fire brigade shed;
- Cemetery expansion - Mount Barker;
- Great Southern Regional Cattle Saleyards - Future ownership;
- Significant progress of new medical centre;
- Local planning strategy;
- Continuation of capital roadworks program with the Spencer Road upgrade being the highlight;
- Completion of new HACC building;
- Investigations for a new waste disposal facility;
- Continuing investigations into a strategic recreation plan;
- Design of Mount Barker Walking Trails.



Governance

Firstly I would like to pay tribute to the outgoing Shire President, Kevin Forbes AM who was a Councillor for over 18 years and Shire President for over 12 years. His commitment and contribution to the Shire of Plantagenet over that time has been incalculable. His achievements are too numerous to mention.

He was diligent in his support for not only the local community, but for the benefit of the region – its facilities as well as its social and economic welfare. Many of the projects and associations for which Kevin has been responsible, have objectives aimed at regional outcomes, not just for the good of ‘the locals’.

His areas of influence cover the Shire of Plantagenet, the Great Southern Region, and the State of Western Australia. His committee and board appointments have taken him from Mount Barker to the country’s capital, Canberra, and the results of his efforts have seen appropriate planning, increased funding and community benefit ranging across a broad area of the State.

Kevin’s achievements were recognised with the awarding of an Australia Medal in September 2008. The title of ‘Honorary Freeman of the Municipality’ has also been conferred upon Kevin for outstanding service to the District of the Shire of Plantagenet.

Shire President's Report

We all wish Kevin well for the future and congratulate him on his appointment to the Great Southern Development Commission.

The 2009 elections also saw Cr John Mark and Cr Bill Hollingworth retire from the Council after four years and Cr Deb Nye-Chart resigned from her role as Councillor after two years. I would again like to acknowledge their considerable efforts for the community as elected representatives.

Electoral Boundaries

The Local Government Advisory Board again instructed the Council to undertake a review of its electoral wards and councillor representation. The review was completed following a number of options being investigated.

The review concluded that the abolition of wards was the preferred option. The Council resolved to request the Local Government Advisory Board to make an order to abolish ward boundaries within the Shire of Plantagenet and that those councillors whose terms are set to expire in 2011 continue in office and represent the district as a whole from the time of the 2009 local government ordinary elections. This order has since been made.

Local Government Reform

At a Special Meeting of the Shire of Plantagenet held on 15 September 2009, the Council adopted its position regarding structural reform. The Council is of the opinion that the Shire of Plantagenet meets all reasonable requirements to remain an autonomous local government authority. However, the threat of reduced grant funding in the future, which would place an additional burden on the ratepayers, was a major factor in the Council's deliberations.

The Council has advised the Minister for Local Government that *'in the opinion of the Shire of Plantagenet the best structural reform outcome for the Southern Link Voluntary Regional Organisation of Councils is that the member Councils of Broomehill-Tambellup, Cranbrook, Kojonup and Plantagenet indicate their willingness to amalgamate and form one local government.'*

The final submission adopted by the Council was the culmination of many months of work of the Council's project team. It took into account not only the wishes of the community, determined through Community meetings and a questionnaire, but also the resolve of the Minister for Local Government to reduce the number of Councils in Western Australia.

Constitutional Recognition of Local Government

In August 2008, former Shire President Cr Kevin Forbes AM was accepted as one of the ten WA representatives to attend a conference in Canberra to discuss the issue of constitutional recognition for Local Government. A national campaign was underway to achieve constitutional recognition for local government at the referendum promised by the Rudd government by the end of the current term of government. Over 400 Mayors and Presidents Australia wide attended. Major discussions were held on infrastructure funding in addition to constitutional recognition.

Law, Order and Public Safety

The Council has again been an active contributor to the operations of the Local Emergency Management Committee (LEMC), Bush Fire Brigades, animal control and public safety. This year the new Porongurup fire shed was completed and a new water tank was purchased for the Karriok airstrip. A new broadacre fire truck was received from FESA for the Rocky Gully brigade together with a Landcruiser for the SES.

The Shire has continued to focus on fire prevention and preparedness activities conducting several community education programs, installing and maintaining strategic fire breaks and access tracks and inspecting properties throughout the Shire for compliance with the Annual Firebreak Notice. The Local Emergency Management Committee continued to develop and test emergency management plans for a variety of potential emergencies.

Shire President's Report

Meetings were also held with representatives from FESA, WALGA and the Department of Environment and Conservation (DEC) during the year to finalise a Memorandum of Understanding (MOU) between DEC and local government for management and operation of bushfires.

A meeting was also held with Mount Barker / Plantagenet Emergency Services groups and businesses regarding the lack of volunteers.

Health Inspection

The Council's focus on health continued with the inspection of food handling premises, inspection and licensing of accommodation establishments, inspection of public buildings for compliance and food and water sampling.

New Medical Centre

In 2005, doctors from the Plantagenet Medical Group approached the Council seeking assistance to construct a new medical centre. The present medical facility is an old building with no room for expansion and doctors have indicated they have been unsuccessful in raising the sufficient capital to construct a new building themselves. The Council supported the proposal and approved the development application for the centre on Reserve 23108 (corner Marmion Street and Langton Road, Mount Barker).

In September 2008, the Council appointed Mt Barker Building Service to construct the Plantagenet Medical Centre, at a cost of almost \$1.5 million. Construction is now well under way and a lease agreement is being drawn up between the Shire and the doctors over the centre.

Child Care Centre

The Plantagenet Child Care Centre continues to be in high demand by the community, providing quality care for children of working parents. Nevertheless, the Council believes that this is a service which could be more appropriately run by private enterprise. The Council had previously commenced discussions with Wanslea Family Services, a leading provider of services to children and families in Western Australia, regarding the transition of the centre to their agency. These discussions were finalised and the Council transferred the management of the Centre to Wanslea on 6 April 2009, who will continue to use the existing building under lease from the Council.

New HACC Facility

The proposal for a new Home and Community Care (HACC) facility has been mooted for some time and the Council has held State Government grant funding in Trust for this project. Last year the Council approved the development application and accepted a tender from Ausco Building Systems to supply and deliver a transportable building for this purpose at a cost of \$421,050. The building has now been delivered and fully completed.

Mount Barker Cemetery

The design of the new Mount Barker cemetery was finalised and the Council received Federal Government funding under the Regional and Local Community Infrastructure Program of \$100,000. Most of this was spent in progressing with Stage 1 of the construction works, including survey, clearing and gravel roads brought up to finish level.

Planning and Development

The Council commenced work on a draft Local Planning Strategy in 2005/06 and this is still progressing. The Council had previously held workshops to consider the draft strategy which was then adopted by the Council and referred to the WAPC for its approval to advertise for public comment, although there have been significant delays in that office dealing with the Strategy. This is an important development as this strategy will set the direction for future growth and development in the area and the Council has been pushing for it to be progressed to the next stage.

Shire President's Report

Waste Disposal

It has become evident in recent years that the current Mount Barker waste disposal facility on O'Neill Road will not be capable of servicing the Shire of Plantagenet in the long term due to lack of space. The Council is investigating options relating to a new landfill site for the Shire.

A 50 ha portion of land identified as compartments 10 and 11 of Lot 3141 Quangellup Road, Mount Barker has been identified as a potential new site. These compartments are located within an existing Great Southern Plantation 'Sounness Block Bluegum Plantation'.

This site has been selected in part because of its initial geological characteristics including favourable soil types, topography, proximity from water courses, as well as geographical characteristics including close proximity to Mount Barker townsite, separation buffer distances, surrounding land uses and visual amenity.

Accordingly, extensive consideration has been made to ensure the siting and operation of a potential landfill at this location will not unreasonably impact on the comfort, welfare or amenity of nearby landowners. The selection and investigation of a potential landfill site is a comprehensive and complex process requiring detailed land capability assessment and analysis which is likely to take some years. A meeting with nearby landowners to discuss the proposed new tip site was held on 13 August 2008 which was well attended.

The Council had been of the view that the site previously purchased for a waste disposal site on Chillinup Road (with the Shires of Cranbrook, Denmark, Gnowangerup and the City of Albany) should be sold. Agreement was reached with the other Councils for this action and the site was sold by public tender for \$901,000 in March 2009.

Recreation and Culture

Last year, the Council commissioned the production of a Recreation Needs Assessment for the Shire. At the end of that financial year, a draft report had been prepared, however there was more work to do before a final document could be adopted by the Council. Subsequently the Council appointed a Recreation Advisory Committee to progress a Strategic Recreation Plan. Approval was granted to engage a consultant to undertake detailed precinct planning for Sounness Park, Frost Park and the Kendenup district. Significant consultation has occurred with community groups, the Department of Sport and Recreation and other bodies.

The Shire has continued the partnership with the Department of Sport and Recreation and the Shires of Cranbrook and Denmark for a part time Club Development Officer. The Officer's role is to assist the sport and recreation clubs throughout the three Shires to become more effective with their existing resources. Strategies such as volunteer recruitment, sourcing funding and sponsorship and streamlining financial processes are some of the key activities being addressed by the Club Development Officer.

Mount Barker Community Centre

In May 2007, the Shire decided that it would be prepared to enter into a long term lease with the Mount Barker Baptist Church over the library building in Lowood Road for the purpose of establishing the Mount Barker Community Centre. This would involve renovations and extensions required to the building to accommodate the requirements of both the community centre and the library. Earlier this year, Lotterywest approved a \$750,000 grant for this project and work has now begun on the building conversions.

Roadworks Program

The Council continued to strongly pursue grant funding for preservation and improvement works of its road network, including several discussions with the Timber Industry Roads Evaluation Study Group (TIRES) and the Regional Road Group in respect to future funding plans.

Shire President's Report

Total funds spent on grant funded roads during 2008/09 year was over \$2.5 million (\$1.8 million grant funds and \$692k Council contribution). In addition, the Council spent \$330,000 on Council funded road upgrades with the main jobs being on Woodlands, Jones, Martagallup-Tenterden, Bevan Roads and Coote Street. The Council's total expenditure on road maintenance activities was \$1.4 million. By maintaining such a program, we will continue to develop and improve the Shire's road network.

Plant Replacement

Replacement of plant and equipment continued in accordance with the Council's 10 year Plant Replacement Program. Key items of plant purchased or replaced during the year included:

Vehicle	Net Cost
• JCB Backhoe Loader	\$122,485
• Hino 9 Tonne Tip Truck	\$46,861
• Isuzu 6x4 Tip Truck And Pig Trailer	\$141,814
• Isuzu 4x2 Tip Truck	\$26,718
• Evertrans Tri Axle Low Loader	\$103,000

Tourism

The Council's support of tourism continued during the year, with over \$43,000 in contributions to the Mount Barker Tourist Bureau Inc.

Saleyards

It was another busy year for the saleyards with a throughput of 60,184 cattle. Discussions continue with the Minister for Agriculture and other industry stakeholders regarding opportunities coming out of the sale of the Midland saleyards. Proposals range from the provision of funding to repay debt, to the yards being purchased by the government. In January 2008, the Council resolved to advise Western Australian Meat Industry Authority (WAMIA) that the Shire would be agreeable for the saleyards to be sold to the Authority at a consideration equivalent to the Shire's original capital cost less grants.

A number of subsequent meetings have been held with representatives from WAMIA, Pastoralists and Graziers Association, Western Australian Farmers Federation, Livestock Transporters Association and the Shire of Katanning. A draft implementation process was signed off and presented to the Minister for Agriculture, which would involve the State purchasing the Great Southern Regional Saleyards, if endorsed by the State Government. At this stage the Minister has sought an internal review by the Department of Agriculture on the possibility of public/private partnerships for the operation of Saleyards in WA.

Plantation and Timber Issues

By far the most notable event for the plantation industry was the financial collapse of two of the country's biggest managed investment schemes, Great Southern Ltd and Timbercorp. This has caused a great deal of anxiety for many people, particularly in the south west and great southern regions and may have far-reaching impacts on a range of activities within those communities. There is also doubt over the ability of the Council to collect rates on those properties in the short term.

The Minister for Regional Development has set up a working group based within the Great Southern Development Commission to be the eyes and ears of the government and to gain a better understanding of the localised impact of the collapse of these companies.

Shire President's Report

Sunday Trading

During the year, in response to a request from the Mount Barker Co-op, the Council canvassed businesses in the Mount Barker townsite to seek feedback regarding an adjustment to retail trading hours in Mount Barker to include Sundays. Two submissions received were against the proposal, with five in favour.

The Council considered that grocery selling organisations in both Albany and Denmark open on Sundays creating a real potential for retail leakage to those locations. Also, having more businesses open on a Sunday could create a more lively atmosphere potentially generating additional retail dollars rather than simply spreading those dollars over seven days.

The Council therefore advised the Department of Consumer and Employment Protection that the Shire was of the opinion that Sunday trading should be permitted within the townsite of Mount Barker. This proposal was subsequently approved by that Department.

Conclusion

The 2008/09 year has again been very busy with the continuation of major infrastructure projects and other important initiatives. The Council has aimed to provide the levels of service sought by the community in an efficient, effective and sustainable manner and to develop and maintain an appropriate degree of infrastructure given the Shire's financial constraints.

I would like to thank my fellow Councillors and the staff for their continuing professionalism and commitment in providing good governance and stewardship for our community.

Councillor Ken Clements

Shire President

Chief Executive Officer's Report

The year 2008/2009 financial year saw much of the planning that the Council has done over previous years bear fruit.

Consolidation of assets, investment in infrastructure projects, investment in staff and a commitment to the community's future were all positive aspects.

Much of this was recognised in April of 2009 with the submission by the Council, along with all local governments in Western Australia, of a Sustainability Check List to the Department of Local Government.

The Sustainability Check List was a precursor to the Government's proposal to reduce the number of local governments from 139 to less than 100 across the state.

The Shire of Plantagenet was one of an elite few who scored the highest possible score of 'One' as a result of the Checklist.

This score meant that, in the eyes of the Government, the Council was sustainable in the long term and operated on a prudent governance and financial basis.

This is a tremendous result for the community as this gives the community the confidence that the Council is well managed.

As the financial year closed, more infrastructure projects were well on the way including the refurbished Community Centre/Library in Lowood Road, the Medical Centre in Marmion Street, continued works on Spencer Road and Porongurup Road and planning for upgrades to sporting and recreation facilities at Frost and Sounness Parks and Kendenup.

For a detailed examination of the Council's achievements over the past year, I commend to you the Shire President's Report and the detailed audited financial statements.

The Shire staff continue to provide a high level of service to the community, always helpful and smiling and my thanks go to each and every one of them in making my job that much easier.



A handwritten signature in blue ink, appearing to read 'Rob Stewart'.

Rob Stewart
CHIEF EXECUTIVE OFFICER



**Shire President
Cr Ken Clements**



**Deputy Shire President
Cr Michael Skinner**



Cr Andrus Budrikis



Cr Sue Etherington



Cr Simon Grylls



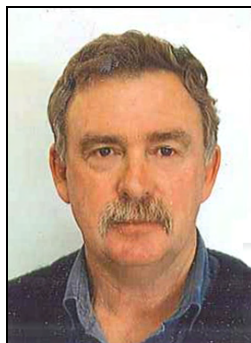
Cr Len Handasyde



Cr Jeff Moir



Cr Brett Bell





**Shire President Cr
Kevin Forbes AM
Rocky Gully / West
Ward**



**Deputy Shire
President (from 28
April 2009)**

**Cr Ken Clements
Town Ward**



**Cr John Mark
Town Ward**



**Cr Jeff Moir
South Ward**



**Cr Bill
Hollingworth
Town Ward
(Deputy Shire
President until 28
April 2009)**



**Cr Simon Grylls
Rocky Gully / West
Ward**



**Cr Deb Nye-Chart
East Ward**



**Cr Andrus
Budrikis
Kendenup Ward**



**Cr Michael
Skinner
East Ward**



Chief Executive Officer – Rob Stewart

- Internal Audit
- Economic Development
- Business and Regional Development
- Monitoring
- Legal Services
- Public Relations
- Strengthening Rural Communities
- Corporate & Strategic Planning



Current Manager Works & Services – Dominic Le Cerf

- Natural Resource Management
- Waste & Recycling
- Infrastructure



Deputy Chief Executive Officer – John Fathers

- Organisational Practice
- Trading Undertakings
- Financial Management
- Administration
- Information Technology



Manager Development Services – Peter Duncan

- Town Planning
- Health Services
- Building Control



Manager Community Services – Nicole Selesnew

- Community Services
- Regulatory Services



Former Manager Works & Services – Ian Bartlett (Resigned in July 2009)

EXECUTIVE SERVICES

Governance

Council

On 28 April 2009 formal notification was received from Cr Hollingworth resigning from the position of Deputy Shire President. Accordingly, the position of Deputy Shire President became vacant. Cr Clements was subsequently elected unopposed to the position of Deputy Shire President.

Local Government Reform

On 5 February 2009 the Minister for Local Government, the Hon John Castrilli MLA, announced wide-ranging local government reform strategies. These strategies were aimed at achieving greater capacity for local governments to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability.

The reform strategy involved local governments across Western Australia in firstly completing a Structural Reform Checklist. The Shire of Plantagenet received a Category One rating for its checklist, the highest available. The reform strategy then required local governments to establish project teams, which were asked to undertake a number of responsibilities including determining preferred amalgamation structure or other types of boundary adjustments.

The Shire of Plantagenet has resolved that, to answer the Minister's call for structural reform, the four shires of Broomehill-Tambellup, Cranbrook, Kojonup and Plantagenet (members of the Southern Link Voluntary Regional Organisation of Councils [VROC]) should amalgamate to form one new Council.

Since then the Shire acknowledges that, except for the Shire of Broomehill-Tambellup, the other two Shires oppose such an amalgamation, due primarily to concerns expressed by sectors of their respective communities. Initially, support had been expressed by all VROC members for amalgamation of the four member Councils.

In arriving at its considered position, the Shire canvassed its community widely. There is little doubt that a large majority is in favour of no change, or, at most, boundary adjustment or amalgamation with Cranbrook.

Nevertheless, the Council is convinced that the Government is committed to local government structural reform and that to fight this process may disadvantage the electorate, especially due to potential funding cuts. Further, opposition for structural reform may have resulted in unwanted or inappropriate alliances being forced by a committed government.

Administration

Property Transactions

- On 18 October 2008 an auction was held to sell one block in Rocky Gully and five strata lots within the Valley View Tree Farm, which owed more than three years' outstanding rates.
- A lease was entered into between the Council and the WA Country Health Service over the new Home and Community Care building and the Lesser Hall in Mount Barker.
- A lease was entered into with the Returned and Services League of Australia, Western Australian Branch over Lot 364 Osborne Road, Mount Barker for use by the Mount Barker Sub Branch of the RSL.
- The saleyards canteen lease with Classicz Pty Ltd (Plantagenet Hotel) was assigned to Wendy Swainson.
- A lease agreement was signed with the Plantagenet Medical Group over the new Medical Centre at Lot 530, Reserve 49690 Marmion Street, Mount Barker. The doctors should be able to move into the building towards the end of 2009.

Summary of Activities

- Approval was given to finalise a lease for Part Lot 105 First Avenue, Kendenup with the Kendenup Fund Raisers Inc, for the purpose of housing the emergency response vehicles, first aid equipment and training.

Asset Management

The Council continued with the Western Australian Asset Management Improvement Programme (WAAMI) renewal gap program, sponsored by WALGA. The program helps local governments to identify what assets they own and understand asset condition and expected life. Based on the levels of service expected by the community, a formal process is developed to establish priorities and allocate funds. The program also aims to prepared formal asset management plans and establish long-term funding requirements.

Occupational Health and Safety

Workplace safety and health practices were a continued focus throughout the year. The Shire has prepared a continuous improvement program to ensure ongoing compliance with the Silver Certificate of Occupational Safety and Health status.

Summary of Activities

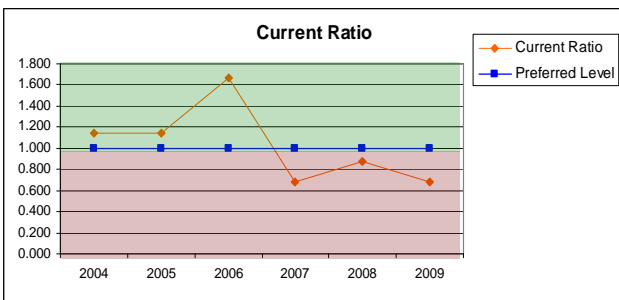
CORPORATE SERVICES

Finance

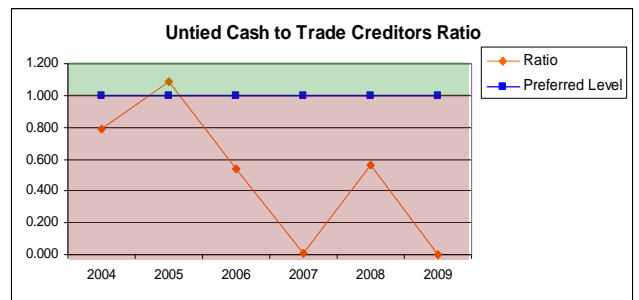
Rate revenue increased from \$3.62 million in 2007/2008 to \$3.88 million in 2008/2009. Outstanding borrowings increased from \$4.88 million in 2007/2008 to \$5.04 million in 2008/2009, due to the new \$200,000 loan for the Plantagenet Medical Centre and \$187,000 self supporting loan for the Mount Barker Golf Club.

Grants and contributions for the development of assets increased from \$2.20 million in 2007/2008 to \$2.91 million in 2008/2009. Total grants and contributions increased from \$3.92 million to \$5.23 million. This increase was largely due to the \$1.07 million Royalties for Regions funding and early payment of a portion of 2009/2010 Financial Assistance Grants. The level of reserve funds reduced from \$481,397 in 2007/2008 to \$431,308 in 2008/2009.

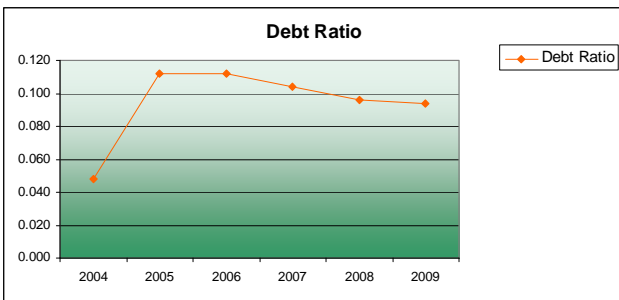
Financial Ratios



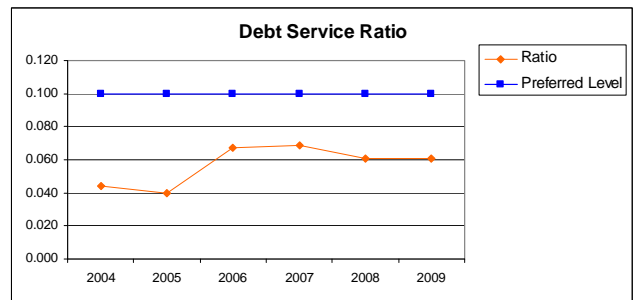
This ratio gives an indication of short term liquidity. That is the ability to meet financial obligations when they fall due. A ratio of greater than 1 is desirable.



This ratio indicates the ability to meet immediate obligations to creditors with unrestricted / untied cash. A ratio less than 1 requires close examination of cash flow.

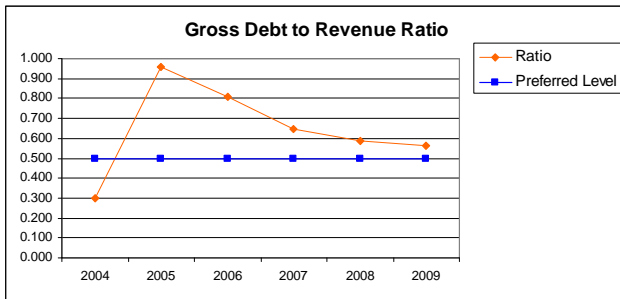


This ratio measures the Council's liabilities as a percentage of its assets. The lower the percentage generally indicates a greater ability to borrow against assets.

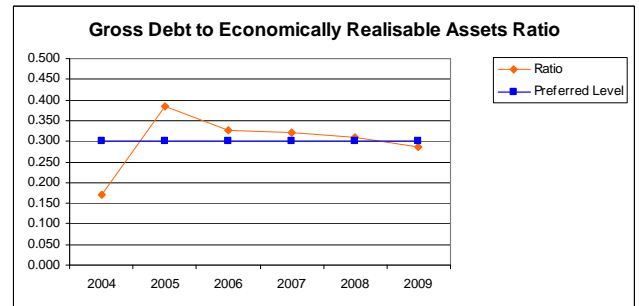


This ratio indicates the Council's ability to service debt.

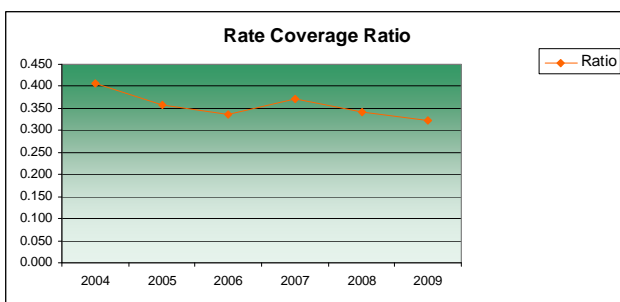
Summary of Activities



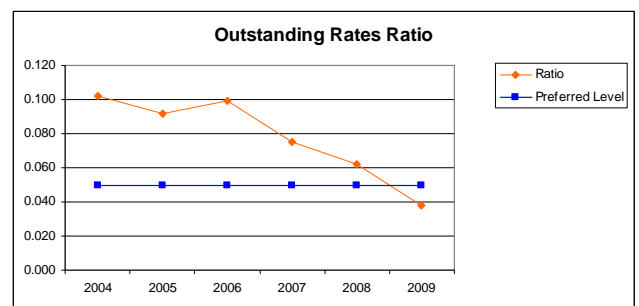
This ratio illustrates the Council's ability to cover debt with its revenue in any given year if required by comparing it to total revenue received.



This ratio indicates the Council's level of debt as a proportion of assets. In conjunction with other debt ratios it provides an indication of reliance upon debt to fund projects.



This ratio measures the use of rates to fund operations. Councils with a higher ratio normally have greater flexibility and budget control to respond to unforeseen events. Lower ratios often indicate reliance upon government and other grant funding that may not be available or sustainable in the long term.



This ratio indicates the effectiveness of the Council's rate collection system. The lower the percentage of rates outstanding, the better the performance.

Many of these ratios are outside preferred benchmarks however, they largely demonstrate good trends and are within expected levels. The Council will continue to use these key ratios to guide its decision making, especially regarding the use of debt.

Long Term Financial Plan

The Council has for some years been aware of the need to prepare a Long Term Financial Plan (LTFP). In June 2009, the Council established a Working Group to develop and make a recommendation to the Council in this regard.

To date, the working group has begun work on Stage 1 of the LTFP which sets a broad financial framework for the coming ten financial years. Given the impending 2009 Council elections and structural reform proposals for local government in Western Australia, it is intended that the future Council will continue to work towards the finalisation of Stage 2, being the clarification of some outstanding issues and addition of detail.

The overall objective of the Council's financial plan is to maintain current service levels, achieve a capital works program that meets adequate asset renewal requirements, undertake an optimal plant replacement program and achieve a balanced budget. The LTFP is also intended to be a blueprint for the financial sustainability of our Shire and it ensures that our aspirations for the community are responsibly matched with our capacity to deliver these outcomes.

Summary of Activities

Staffing

The 2008/2009 year saw a number of staff changes.

Gillian Thirlwall resigned from her position as Child Care Centre Coordinator and was replaced by Jane Forward. Jodi Vitler commenced as Administration Assistant for the Child Care Centre in August 2008. Casual Child Care Centre staff Helen Marshall and Julia Wood left their positions and were replaced by Tina Thompson and Linda Angus. Natalie Hart was appointed as casual cleaner for the centre. Wanslea Family Services took over management of the Child Care Centre in April 2009 which then saw the transfer of staff from the Shire of Plantagenet to Wanslea Family Services.

Brett Ashton resigned from his position in Parks and Gardens and was replaced by Lincoln King.

Plant Operators Jim Stone, Bob Merivale and Raymond Batty were replaced by Melvyn Woollard, Barry McHardy and Elvin Rowe.

Plant operator Ian Henderson also resigned and was replaced by Jim Stoneham who stepped up from the position of traffic controller.

Brendan Griffiths, Carolyn Bower and Rose Blankendaal were appointed as casual traffic controllers.

Sidney Jarvis resigned from his position as Kendenup transfer station operator and was replaced by Rosa MacDonald.

The resignation of Wayne Griffiths, Principal Works Supervisor and Anthony Svanberg, Engineering Cadet, saw a re-structure in the Works and Services Department. Jim Robertson (Engineering Technical Officer) also began six months long service leave in March 2009 and Megan Souness, Administration Officer Works and Services moved to Corporate Services to fill Donna Stevens' position (Senior Administration/HR Officer) while Donna began 12 months maternity leave. The re-structure saw the appointment of Sharon Williams, Senior Administration/Project Officer and Emma Gardner, Administration Officer Works and Services for a 12 month period.

Annette Lamb, Customer Service Officer took six months leave beginning in March 2009. Annette's position was left vacant for this period and was covered by existing staff members. Karen Lambert moved from Telephonist/Customer Service Officer to Telephonist and Jodi Vitler was appointed as part time Customer Service Officer. Claire McAleese and Karen Lambert both finished in August 2009.

Adil Ibrahim commenced 12 weeks casual work at the Administration Office in April 2009.

Juliet Albany, Planning Officer resigned and was replaced by Vincent Jenkins who came to the Shire on a sub-class 457 visa from South Africa.

Ronnie Smith moved from casual to part time Recreation Officer working between the Swimming Pool and the Recreation Centre. Alice Butler was also appointed as a casual Recreation Officer working at the Recreation Centre during the summer months.

Casual General Hand, Neil Lister left his position at the saleyards and was replaced by Howard Hickman. Tragically Neil was later killed in a car accident. Claire Appleby resigned from her position as Assistant Saleyards Manager which remained vacant at the end of 2008/2009.

Policy Reviews

With the majority of policies reviewed in the previous year, the following Council policies relating to Corporate and Executive Services were adopted or reviewed during 2008/2009:

- Alternative Flags
- Asset Management
- Asset Register
- Council Owned Buildings - Ceiling Interference

Summary of Activities

- Drug and Alcohol
- Elected Member Expenses to be Reimbursed
- Equal Employment Opportunity
- Financial Assistance (Capital) to Organisations and Clubs
- Financial Assistance (Operating) to Organisations, Clubs and Individuals
- Financial Management - Borrowings and Asset Financing
- Group Rating
- Injury Management and Rehabilitation
- Insurance
- Investments
- Occupational Health and Safety
- Rate Incentive Prize
- Self Supporting Loans
- Sexual Harassment
- Significant Accounting Policies
- Sporting and Community Organisations Using Council Land - Rateability
- Telecommunications - Councillors and Staff Policy
- Vehicle Registration Plates Pl.1 and Pl.2 Issue
- Vehicle Registration Plates
- Workplace Bullying

Great Southern Regional Cattle Saleyards

A number of works were completed during the year. National Vendor Declaration (NVD) scanning equipment software was installed. Having this software has greatly reduced the amount of hours spent by staff inputting the declarations into the current system. It has also made it simpler and easier for other staff members to input the information.

The boundary fence along the railway track and Albany Highway was completed and a raised platform at the truck wash screen was also installed.

Discussions continued with WAMIA on a possible buy-out of the yards or financial assistance package by the State Government, in accordance with the principles of the State Saleyards Strategy. This has been brought about by the excess funds from the sale of the Midland Saleyards lots, in order to build a new saleyards in Muchea.

The Council continued to pursue environmental improvement works at the Saleyards, however the environmental engineers could not recommend any changes to the treatment system until its performance is monitored and assessed following upgrades to the truck wash. The Council identified the possibility of greater water reuse at the yards if the water quality could be increased sufficiently for human contact. This year approval was therefore granted to install a waste water re-use system using previously unspent RIFP grant funds. This is a positive and very beneficial use of funds, which will generate savings in water usage in the long term.

COMMUNITY SERVICES

Community Buildings

Construction of the Mount Barker Community Centre has begun. The Community Centre initiative is a partnership between the Mount Barker Baptist Church and the Shire of Plantagenet. The Centre will house a variety of services including Centrelink, a telecentre, office space for visiting agencies and services, after school care, food bank and a counselling service. A new public library building will form part of the Community Centre development which will feature an open, comfortable and inviting Library space. The Community Centre project will be completed in 2010.

The Plantagenet Community Medical Centre development began on 14 October 2008 following three years of discussions with the local medical service which was concerned about the growing need for their services but the inability to expand their premises to meet the need.

A purpose built medical centre was designed encompassing six doctor and visiting specialist offices, two nurses offices, allied health rooms and comfortable space for staff and patients. Funding was sought through the Rural Medical Infrastructure Fund (\$400,000), Regional Infrastructure Funding Program (\$200,000) and the Regional Headworks Program (\$40,000). The Mount Barker Community Bank also provided a \$200,000 interest free loan. The Council committed \$670,000.

The local medical service has signed a ten year lease for the building and is investigating participation in 'intern training programs' to further enhance medical services in the area. The building will be functioning in November 2009.

The Council also supported an extension to the Home and Community Care service by providing a new building adjacent to the Lesser Hall Community Care Centre site. The Council's contribution of approximately \$240,000 was supported by funding from the WA Country Health Service to construct a modular style building with activity rooms, toilets and office spaces. The building arrived in November 2008 and has been an asset for our local seniors since.

Emergency and Ranger Services

Fire control, risk mitigation planning strategies and animal control were the focus of emergency service and ranger activities for the year.

The bush fire brigades were supported by the Fire and Emergency Services Authority – Emergency Services Levy (ESL) with a new box trailer to transport a fast fill pump for the Denbarker Brigade, a refurbished broadacre fire truck for Forest Hill Bush Fire Brigade and new 4.4 rural tanker for the Wootenellup Bush Fire Brigade. The Mount Barker State Emergency Service Unit also received a new 11 seater troop carrier through the ESL.

During March many of the bush fire brigades were called on to assist the Mount Barker Volunteer Fire and Rescue Service to control a fire burning on the outskirts of the Mount Barker town, threatening a number of properties. Aerial fire fighting resources such as the fixed wing planes from Albany and a 'helitac' helicopter from Perth assisted the local resources. The fire was controlled swiftly and little property damage occurred as a result.

The Shire's Local Emergency Management Committee undertook a Risk Mitigation Planning program, identifying a number of potential threats to the community and mitigation measures to manage the threat. The mitigation plans have been incorporated into the local emergency management arrangements for the Shire.

Recreation and Community Programs

The Mount Barker Swimming Pool season was well supported including attendance by several swimming groups from adjoining Shires to utilise a 50m pool. Facility upgrades to improve drainage around the pool and to establish a separate first aid room were completed prior to the season starting.

Summary of Activities

The Recreation Centre programs were reviewed and expanded to include the Living Longer Living Stronger program for over 50s and a broad range of Les Mills Group Fitness classes.

The Shire also undertook an extensive sport and recreation planning project with the completion of a needs analysis of sport and recreation facilities by Ms Tricia Martin. Ms Martin reviewed the use of all existing facilities and made a series of key recommendations regarding future infrastructure use and rationalisation.

A Recreation Advisory Committee was established to address the recommendations from the needs analysis. Two priority recommendations for action were the preparation of sport and recreation precinct plans for Frost and Sounness Parks in Mount Barker and the Kendenup townsite.

The sport and recreation precinct planning process was started with financial assistance from the Department of Sport and Recreation. A consultant was appointed to conduct community consultation workshops and to prepare precinct plans. The planning work is progressing positively.

The Kendenup community benefited from the establishment of the Kendenup Kids Hub project, aimed at assisting parents with child development and health education. The Hub was funded through the Great Southern GP Network – Communities for Children initiative and combined fun kids story time sessions with parental advice and education. The program was well supported by the Kendenup community and concluded with an extensive resource base to see the program continue into the future led by a volunteer base.

A review and condition assessment of the Shire's Acquisitive and Claude Hotchin art collections was completed by curator Greg White. The review detailed the history of the art pieces and artists, provided an indicative valuation, condition assessment, suggestions for rectification and priorities for rectification.

The Shire of Plantagenet entered into a partnership with the Office of Crime Prevention (OCP) on 21 February 2007. Underpinning the partnership was the formation of a Community Safety and Crime Prevention Plan (CSCPP) for the Plantagenet Shire and to assist in the development of the Plan, the OCP provided \$10,000 of grant funding. A community survey was distributed to all households throughout the Shire and face to face interviews were held with key sectors of the community and agency representatives. Statistical information was also sourced from the OCP. The CSCPP was completed on 24 July 2008 and received by the Council at its meeting held on 26 August 2008.

WORKS AND SERVICES

Roadworks

The following construction works were completed during the year:

- Woogenellup Road – Completion of pavement and shoulder widening, sealing and signage upgrade to the flood crossing, carried out under the State Blackspot Program.
- Carbarup Road - Carried out clearing, shoulder widening and pavement repairs, installed new kerb and sealing also upgraded signage.
- Mallawillup Road - Resealed a section 1km west of Boyup to Martagallup Road.
- Spencer Road - Completed construction to final trim stage of the 2.16km Spencer Road Bypass, however were unable to seal due to a state wide bitumen shortage.
- Woodlands Road - Completed clearing, pavement upgrade and sealing from Porongurup Road to Millinup Road.
- Jones Road - Completed upgrading works including drainage formation and sealing of 1.7km from Muirs Highway.
- Porongurup Road - Completed construction to final trim stage of earthworks, drainage and gravel work of the section from Magpie Hill 6km east towards Porongurup village. The Shire was unable to seal due to a state wide bitumen shortage.
- Yellanup Road - Started upgrading a 1.5 section from Albany Highway east to a 10 metre formation. The Shire was unable to seal due to a state wide bitumen shortage.
- Bevan Road - Completed re-sheeting the full length together with drainage improvements.
- Eulup-Manurup Road - Completed construction of a ‘T’ road intersection with Boyup Road.
- Coote Street - Completed seal works to the full length and also sealed a car park on the eastern end.
- Barrow Road - Completed land resumption, clearing and widening to a 1km section from Trent Road.
- Quangellup Road - Completed shoulder upgrade and resealed the bitumen section.
- An extensive maintenance program was completed on roads throughout the Shire. Maintenance activities included tree lopping, slashing, grading, drain and road verge clearing. A significant amount of time was spent in reinstating roads due to flooding in November 2008.

Parks and Gardens

The Parks and Gardens maintenance team take care of the Shire’s 11 parks and gardens, 23 Council building grounds, cemeteries and community service areas and five townsite road verges. Routine maintenance of these areas includes:

- Slashing and spraying road verges.
- Mowing, fertilising, spraying and general grounds maintenance.
- Gardening duties and playground maintenance.
- Maintaining and installing new reticulation systems.

In addition to routine maintenance, the Parks and Gardens team supports the Shire’s weed action groups by assisting in their working bees.

Waste Management

The recycling bins at the O'Neill Road landfill site and the Porongurup and Kendenup transfer stations and at Narrikup are proving very popular. To date, 136.6 tonnes of co-mingled waste and 71.38 tonnes of cardboard have been deposited.

This year, the Council adopted the Great Southern Group of Councils Strategic Waste Minimisation Plan 2008 – 2013. This will enable the Shire of Plantagenet to meet its obligations to achieve waste minimisation principles in accordance with the State's vision of Towards Zero Waste.

The plan provides a system for the Shire to identify and quantify waste products entering the municipal waste stream, thus enabling opportunities wherever possible, to divert or recover waste to recycling or re-use applications or implement waste reduction strategies.

The reduction of waste to landfill has the potential to conserve valuable landfill area and reduce the harmful effects of landfill practice. The opportunity to divert reusable and recyclable waste to the growing market for such products is also offered and again extends the operational landfill life expectancy.

The true value of a landfill disposal area is grossly undervalued and therefore strategies to divert waste from landfill will have significant financial benefits in the future.

DEVELOPMENT SERVICES

Town Planning

Scheme Amendments

Several amendments to the Shire of Plantagenet Town Planning Scheme No. 3 have progressed through various stages of the legislative process. The amendments include:

- Amendment No. 39 – created a Rural Residential Zone on land in Spring Road to the north of the Porongurup Range. The Amendment was initiated by the Council in June 2006 and was finalised on 13 February 2009.
- Amendment No. 44 – proposes to rezone Rural zoned Lots 756, 1233 and 1234 to the north of Mount Barker to the Residential zone. The Amendment was initiated by the Council on 13 March 2007 subject to modifications. Modified documents were received in August 2007 and then referred to the Environmental Protection Authority (EPA). The EPA authorised the amendment proceed and it was then referred to the WAPC for approval to advertise. The WAPC granted consent to advertise subject to modifications. Modified documents were received in May 2008 and advertising commenced. The advertising closed on 27 June 2008. The Amendment was referred to the WAPC for a final decision on 24 July 2008.
- Amendment No. 45 – proposes to rezone land in O'Neill Road from Rural to Rural Residential and was initiated by the Council on 14 October 2008 and referred to the EPA for approval to advertise. The EPA required additional work and consultants are compiling that work.
- Amendment No. 46 – proposes to rezone land in Warburton Road from Rural to Rural Residential. The Amendment was initiated on 12 February 2008 subject to modifications. Modified documents were received on 20 May 2008 and then referred to the EPA for approval to advertise. Advertising was carried out and the Council recommended final approval subject to modification to the WAPC on 21 October 2008.
- Amendment No. 47 – rezoned land in Lowood Road from Rural to Residential (R15). The Amendment was initiated on 8 April 2008 and following public advertising, was finalised on 23 January 2009.
- Amendment No. 48 – altered the subdivision guide plan for an existing Rural Residential zone in Warburton Road. The Amendment was initiated by the Council on 13 May 2008 subject to modifications. Advertising closed on 7 October 2008 and the WAPC agreed to final approval subject to modifications on 25 May 2009. Modified documents were forwarded to the WAPC on 24 June 2009. The Amendment was approved by the Minister for Planning on 8 July 2009 and advertised in the Government Gazette on 14 August 2009.
- Amendment No. 49 – proposes to rezone land to enable the establishment of the Porongurup Rural Village. The Amendment was initiated on 11 March 2008 and referred to the EPA. Authorisation to proceed was received from the EPA on 28 May 2008 and public advertising commenced on 12 June 2008. A public information session was held at the Porongurup Hall on 30 June 2008. Following advertising the Amendment with a modifications schedule was referred to the WAPC on 2 September 2008.
- Amendment No. 50 – proposes to rezone land in the Kendenup village from Rural to Residential (R5) and an Enterprise Zone. The Amendment was initiated on 12 May 2009 and the EPA authorised advertising to commence on 17 June 2009.
- Amendment No. 51 – proposes to rezone portion of Lot 830 Spring Road from Rural to Rural Residential and to adjust an existing subdivision guide plan. The Council initiated the Amendment on 9 June 2009 subject to modifications.

Summary of Activities

Policy Reviews

The Council has been regularly reviewing its various policies including those adopted as Town Planning Scheme Policies under the provisions of Town Planning Scheme No. 3. As part of that review one new Town Planning Scheme Policy was adopted for advertising purposes. That new policy is:

- Town Planning Scheme Policy No. 18 – Draft Local Planning Strategy and the advertising commenced on 4 June 2009.

Local Planning Strategy

The Local Planning Strategy (LPS) will be a key factor in the future planning of the Council for the next 10 to 20 years. The LPS will go through a process set by the WAPC which involves public consultation. As part of the preparation process the Council has been briefed on the various components of the document as it was being compiled. Workshops with the Councillors were held on 13 and 27 November 2007, 11 December 2007, 12 February 2008 and 27 May 2008.

The full draft of the LPS was adopted by the Council on 10 June 2008 after which it was referred to the WAPC for its approval to advertise for public feedback. Following the Council's adoption of TPS Policy 18 above the WAPC noted the advertising had been commenced at its meeting held on 7 July 2009.

Townscape Committee

A Townscape Review Steering Committee was formed several years ago and includes representatives from the community, Councillors and staff. The purpose of that committee is to provide guidance on townscape improvement initiatives in Mount Barker, particularly the Lowood Road upgrading works.

During the 2008/2009 year a total of three meetings were held in October, February and June.

Development and Subdivision Applications

A broad range of development applications were processed and received planning consent under Town Planning Scheme No. 3. In the 2008/2009 year a total of 29 applications were processed.

A sign of positive growth of the Shire is the level of subdivision activity. During 2008/2009 a total of 34 subdivision applications were considered and recommendations provided to the WAPC which is the government agency that determines subdivisions.

Building

A total of 154 building licences were issued. These licences included 54 houses, four carports, nine patios and 67 sheds/garages. This total is a slight decrease from 172 issued in the 2007/2008 financial year.

As part of his ongoing role, the Council's Principal Building Surveyor is currently compiling a building maintenance asset register for all of the Council's buildings.

Environmental Health Services

Environmental Health Services involves monitoring of food premises, wastewater management, providing input to various development applications, investigating notifiable contagious diseases, nuisance complaints, unauthorised camping, temporary accommodation, regulating offensive trades, and inspecting public buildings for compliance. The following statistics provide a guide into the basic environmental health activities during the year:

Summary of Activities

Food Premises

A total of 56 inspections were conducted including routine inspections, follow-up reinspections, temporary food stall approvals and development / renovation of premises.

Food Sampling

A total of 60 food samples were collected from Mount Barker Free Range Chicken, Ravenhill Dairy and assorted local primary producers for microbiological analysis.

Water Sampling

- Great Southern Regional Cattle Saleyards – A total of 36 wastewater samples were collected to assess the water quality suitability for reuse to OS&H standards.
- Processing Waters – Mount Barker Free Range Chicken – A total of 60 poultry processing water samples were collected for microbiological analysis.
- Swimming Pools – A total of 36 water samples were collected for microbiological analysis.
- Drinking water supplies – A total of seven water samples were collected from public and private drinking water supplies for microbiological analysis.

Compost

- A total of three compost samples were collected for microbial standards.

Registered Premises

A total of five inspections were conducted at registered premises operating within the Shire. These included hairdressers, body care, tattoo, child care, family day care, clothing and second hand stores.

Public Buildings

Twelve inspections of public buildings were conducted to ensure compliance with relevant legislation and public safety. Examples of public buildings include community halls, recreation centre, sporting clubs and meeting venues.

Public Events

Three major public events were approved and this required detailed assessment and consultation with the various parties. These events included the Porongurup Wine Festival and assorted theatrical events.

Holiday Accommodation

Seven inspections were carried out on various forms of holiday accommodation, including caravan parks, chalets, lodging houses and bed and breakfast establishments.

Buildings

As part of the building assessment procedures, the health aspects of each proposal are considered. As an example, this includes onsite effluent disposal systems proposed for houses. Each onsite disposal system requires a site inspection by the Environmental Health Officer prior to installation and a final inspection for approval to use the system and a total of 42 applications were received and subsequently approved.

Complaints

Twenty-one various complaints were investigated throughout the year and these included matters such as excessive noise, odour, dust, effluent discharges, chemical spray drift, and occupation of caravans. These complaints, particularly noise complaints have the potential to require extensive time and resource allocation and in most cases, each complaint will involve multiple complainants (noise and odour), detailed investigation, assessment and mediation to resolve.

Summary of Activities

DrumMuster/ChemCollect

These programs are designed to provide a mechanism for the collection of clean used pesticide containers and unwanted agricultural chemicals. The DrumMuster program collected in excess of 2,500 used chemical containers for reprocessing which is a marked increase from the 750 containers last year. In addition, the ChemCollect program collected approximately 150 litres of unwanted farm chemicals.

As well as the extensive range of monitoring, reporting and inspection activities listed above, the Council's Environmental Health Officer has been providing invaluable support on activities such as environmental monitoring of the O'Neill Road landfill site, old Shire depot, zero waste strategy, new landfill site and the saleyards environmental works.

Record Keeping

The Shire of Plantagenet is committed to the reliable and systematic management of records. The Shire submitted to State Records Commission the latest Record Keeping Plan in July 2007 laying out Policies and Procedures for its Record Keeping vision.

All elected members, staff and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the Shire's official record keeping system (RMS) at the point of creation regardless of the format, in accordance with:

- State Records Act 2000;
- Evidence Act 1906;
- Acts Amendment (Evidence) Act 2000;
- Freedom of Information Act 1992;
- Local Government Act 1995 & associated regulations

All must abide by the recordkeeping requirements of the Shire as defined in the Recordkeeping Plan, which is a requirement of the State Records Act 2000.

The Shire's Record Keeping Plan provides for continuous education of all staff and elected members, to maintain a stable knowledge and base skills platform for the Electronic Record Keeping System, Record Keeping Plan and State Records requirements.

To maintain this base level of skills for all staff and elected members the Shire has implemented a number of training and evaluation systems including, monthly question and answer sessions, formal training on a six monthly basis and presentations to the Council covering topics such as:

- What is a Record;
- Penalties for non-compliance with the Record Keeping Plan;
- Record Keeping responsibilities; and
- Freedom of Information Act.

Evaluation of staff is conducted at induction stage for all new staff, to ascertain level of Records understanding, with follow-up three months later, ensuring that any issues are dealt with on the spot in the intervening period. Evaluation of this procedure is based on feedback from staff that undergo this process. Surveys have been conducted to ascertain the effectiveness of the Electronic Records Keeping System and understanding by staff of their responsibilities under the:

- State Records Act;
- Freedom of Information Act; and
- Evidence Act.

In conjunction with the preparation of the Records Keeping Plan, a self assessment was conducted of the Shire's record keeping systems. On the basis of the staff training, information sessions, publications and performance indicators in place, the Recordkeeping systems were assessed as being efficient and effective within the organization.

This report has been published in accordance with the State Records Act, 2000.

Disability Services Plan

The Council endorsed the Shire's Disability Access and Inclusion Plan (DAIP) in July 2007 which was promptly followed by the adoption of a new Disability Access and Inclusion Policy.

The DAIP has provided the Council and staff with a series of key objectives which will ensure the progress of service for people with disabilities. A Shire Officer has been appointed the task of managing the Shire's Disability Access and Inclusion Plan to ensure progress towards the endorsed actions. Several actions have been completed, including a website upgrade and staff training.

National Competition Policy (NCP)

In April 1995, all Australian governments reached agreement on a National Competition Policy (NCP) for Australia. Three intergovernmental agreements underpin the NCP, being the Competition Principles Agreement (CPA), the Conduct Code Agreement and the Agreement to Implement the National Competition Policy and Related Reforms.

The CPA is binding on Local Government. This requires councils to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three areas that affect local government are:

- Competitive Neutrality – To remove benefits (and costs) which accrue to government business as a result of their public ownership.
- Structural Reform – local government is required to reform the structure of publicly owned monopoly business where it is proposed to introduce competition.
- Legislation Review – To review legislation that restricts competition.

The Council has a limited number of local laws, which were reviewed in the 2007/08 financial year including a review of compliance with the reporting requirements. The Shire undertook all other relevant NCP checks required as part of its normal review processes.

Employee Remuneration

One Shire employee was entitled to an annual cash salary of \$100,000 or more, in the range of \$100,000 - \$119,999.

Complaints

There were no complaints that resulted in action against Councillors under section 5.121 of the Local Government Act 1995.

Plan for the Future

The Shire of Plantagenet's Plan for the Future was adopted by the Council on 14 July 2009. It was prepared pursuant to Section 5.56 of the Local Government Act 1995 which provides that:

'(1) A local government is to plan for the future of the district.'

Further the Local Government (Administration) Regulations provide for, at 19C and 10D, among other things, that the Plan for the Future is to be adopted by the Council and that the electors and ratepayers of the district are consulted during the development of the plan. Once adopted, local public notice of the plan is to be given.

The Shire of Plantagenet's Draft Plan for the Future has been shaped with reference to the Council's Community Needs Study undertaken in 2002 and the resulting Strategic Plan.

Notification that a draft plan for the future was available for public input and that a public meeting was to be held on 16 June 2009 was given in the Plantagenet News dated Wednesday 20 May 2009, Wednesday 3 June 2009 and the Albany Advertiser dated 19 May 2009.

The plan covers the period 1 July 2009 to 30 June 2011 and addresses the objectives of the Council over that period and action plans to achieve those objectives.

In planning for the future of the district there is a need to realistically examine the resources available and therefore, wherever specific funds have been allocated, this is cross-referenced to the appropriate budget program.

It is intended to review the plan annually on a rolling basis to ensure the plan is current. This review will take place in conjunction with the Council's annual budget adoption process.

The plan was presented to the Council for adoption on 14 July 2009, allowing members of the public at least 40 days for input.

2009/10 Budget Initiatives

The major initiatives that are included in the 2009/10 budget are as follows:

- Completion of new \$1.6 million Plantagenet Medical Centre (Part grant funded)
- Financial Assistance Grants to local groups \$119,471
- New FESA fire trucks for Woogenellup and Forest Hill (Grant funded)
- Continuation of development of the extension to the Mount Barker cemetery \$350,000. (Funded primarily by Royalties for Regions)
- Road construction program totaling \$3.15 million.
- Investigation and testing of potential new tip sites \$50,000.
- Town Hall - Remove Asbestos & Re-clad \$20,000
- Pool Blanket for Mount Barker Swimming Pool \$37,060 (Part grant funded)
- Playground Equipment (Rocky Gully & Narrikup) \$50,000
- Playground Equipment (Centenary/Wilson Park) \$58,000
- Wilson Park / Centenary Park Redevelopment (Toilets) \$125,000
- Frost Pavilion Refurbishment \$150,000 (Funded by Royalties for Regions)
- Frost / Sounness Parks Improvement Plans \$25,000
- Frost Park - Upgrade Pavilion \$100,000 (Funded by Royalties for Regions)
- New Library Fit out \$40,000
- Additional \$150,000 to road maintenance
- Kendenup Footpaths \$200,000 (Funded by Royalties for Regions)

PROCEDURES AND ACCESS ARRANGEMENTS

FOI Operations

It is the aim of the Shire of Plantagenet to make information available promptly and at the least possible cost, and whenever possible documents will be provided outside the FOI process.

If information is not routinely available, the Freedom of Information Act 1992 provides the right to apply for documents held by the Council and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

During the 2008/09 year, no FOI applications were received.

FOI Applications

Access applications have to:

- be in writing;
- give enough information so that the documents requested can be identified;
- give an Australian address to which notices can be sent; and
- be lodged at the Shire with any application fee payable.

Applications and enquires should be addressed to the Freedom of Information Coordinator, PO Box 48, Mount Barker WA 6324 or telephone 08 9892 1111.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

FOI Fees & Charges

A scale of fees and charges is set under the FOI Act Regulations. Apart from the application fee for non-personal information all charges are discretionary. The charges are as follows:

Type of fee

- | | |
|--|---------|
| • Personal information about the applicant | No Fee |
| • Application fee (for non personal information) | \$30.00 |

Type of charge

- | | |
|---|---------------|
| • Charge for time dealing with application (per hour or pro rata) | As per budget |
| • Access time supervised by staff (per hour or pro rata) | As per budget |
| • Photocopying staff time (per hour or pro rata) | As per budget |
| • Per photocopy | As per budget |
| • Duplicating a tape, film or computer information | Actual Cost |
| • Delivery, packaging and postage | Actual Cost |

Deposits

- | | |
|--|-----|
| • Advance deposit which may be required of the estimated charges | 25% |
| • Further advance deposit may be required to meet the charges for dealing with the application | 75% |

Pension concession	25%
--------------------	-----

Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

Notice of Decision

As soon as possible, but in any case within 45 days, you will be provided with a notice of decision which will include details such as:

- the date which the decision was made;
- the name and the designation of the officer who made the decision;
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document; and/or
- information on the right to review and the procedures to be followed to exercise those rights.

Refusal of Access

Applicants who are dissatisfied with a decision of the Council are entitled to ask for an internal review by the Shire. Applications should be made in writing within 30 days of receiving the notice of decision.

You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

Information Statement

Role of the Council

Section 2.7 of the Local Government Act 1995 defines the role of the Council as:

‘2.7

(1) *The council –*

- (a) *directs and controls the local government’s affairs; and*
- (b) *is responsible for the performance of the local government’s functions.*

(2) *Without limiting subsection (1), the council is to –*

- (a) *oversee the allocation of the local government’s finances and resources; and*
- (b) *determine the local government’s policies.’*

Function of Local Government

The general function of local government as defined in Section 3.1(1) of the Local Government Act 1995 is ‘*to provide for the good government of persons in its district.*’

Vision and Mission Statements

Vision Statement

We see families and economic development as the mainstay for creating a community that will provide everything that is needed: economic security, safety and social networks within an environment that is clean and safe.

A district where people will come to raise families because of educational opportunities, health facilities, economic infrastructure and a variety of housing opportunities.

Mission Statement

To improve the quality of life for the people of Plantagenet, both present and future.

Public Participation on Council Committees

Public participation is encouraged on the following Committees of the Council:

Townscape Review Steering Committee

This Committee was developed to guide the process of reviewing the Townscape Improvement Plan for the Shire of Plantagenet. The objective of the Plan is to;

- serve as an overall framework for streetscape upgrading projects over the next ten years; and
- lead to the enhancement of the visual and practical amenity of area.

The Committee consists of three council representatives, one staff representative and four community representatives. All vacancies for this Committee are advertised locally when they become available.

Bush Fire Advisory Committee

This Committee is designed to advise the Council on all matters relating to the preventing, controlling and extinguishing of bush fires, the planning of the layout of fire-breaks in the district, prosecutions for breaches of the Bush Fire Act 1954, the formation of bush fire brigades and the grouping thereof under group brigade officers and the ensuring of co-operation and co-ordination of bush fire brigades in their efforts and activities.

Each bush fire brigade nominates a delegate to represent them on the Committee. To become a member of your local bush fire brigade you are required to contact your brigade delegate.

Information Statement

Community Recreation Centre Advisory Committee

This Committee is designed to provide involvement from the Council, the Education Department and the community into the management of the Mount Barker Recreation Centre. All vacancies for this Committee are advertised locally when they become available.

Roadwise Committee

This committee has been created to provide a structured forum for stakeholders to consider and discuss road safety issues and discuss and make recommendation regarding the identification and appropriate counter measures to negative attitudinal, behavioural and environment factors lined to enforcement, engineering, education, encouragement and evaluation of road safety initiatives.

Kamballup Hall Management Committee

The daily operations of the Kamballup Hall are overseen by a management committee. The Committee consists of one Council representative and four community representatives nominated by the Kamballup Management and Social Committee Inc.

Porongurup Hall Management Committee

The daily operations of the Porongurup Hall are overseen by a management committee. The Committee consists of one Council representative and four community representatives nominated by the Porongurup Community Association.

Woogenellup Hall Committee

The daily operations of the Woogenellup Hall are overseen by a management committee. The Committee consists of one Council representative and four community representatives nominated by the Woogenellup Progress Association.

Documents Held by the Local Government

The Shire of Plantagenet has a wide variety of documents, maps and reports that relate to its functions as a local government and assist with its daily operation.

Under Section 5.94 of the Local Government Act 1995 (the Act), the following information is to be available for public inspection at no cost;

- (a) code of conduct;
- (aa) regulations prescribing rules of conduct of the Council;
- (ab) register of complaints;
- (b) register of financial interests;
- (c) annual report;
- (d) annual budget;
- (e) schedule of fees and charges;
- (f) plan for the future of the district;
- (g) proposed local law of which the local government has given state wide public notice under section 3.12(3)of the Act;
- (h) local law made by the local government in accordance with section 3.12 of the Act;
- (i) regulations made by the Governor under section 9.60 of the Act that operate as if they were local laws of the local government;
- (j) text that –

Information Statement

- (i) is adopted (whether directly or indirectly) by a local law of the local government or by a regulation that is to operate as if it were a local law of the local government; or
- (ii) would be adopted by a proposed local law of which the local government has given state wide public notice under section 3.12(3) of the Act;
- (k) subsidiary legislation made or adopted by the local government under any written law other than under the Act;
- (l) any written law having a provision in respect of which the local government has a power or duty to enforce;
- (m) rates record;
- (n) confirmed minutes of council or committee meetings;
- (o) minutes of electors' meetings;
- (p) notice papers and agenda relating to any council or committee meeting and reports and other documents that have been –
 - (i) tabled at a council or committee meeting; or
 - (ii) produced by the local government or a committee for presentation at a council or committee meeting and which have been presented at the meeting;
- (q) report of a review of a local law prepared under section 3.16(3) of the Act;
- (r) business plan prepared under section 3.59 of the Act;
- (s) register of owners and occupiers under section 4.32(6) of the Act and electoral rolls;
- (t) contract under section 5.39 of the Act and variation of such contract;
- (u) such other information relating to the local government –
 - (i) required by a provision of the Act to be available for public inspection; or
 - (ii) as may be prescribed.

Arrangements to view these documents can be made by contacting the Shire Administration Office. Charges may apply if copies of these documents are required. A number of documents are available on the Shire's website www.plantagenet.wa.gov.au.

Limits on rights to inspect local government information are outlined under Section 5.95 of the Act.

In addition to the above items the Council has a number of documents that can be purchased. The cost of these documents is outlined each financial year in the Council's Fees & Charges. The available documents are outlined below;

- (a) town planning publications; and
- (b) building plans.

Legislation Impacting on Local Governments

On the following pages is a comprehensive list of legislation that impacts on all local governments in Western Australia including the Shire of Plantagenet.

The Shire must have due regard to each of these Acts, Regulations, Standards, Programs, Codes and Local Laws when undertaking its business of providing good governance for the community.

Information Statement

Federal & State Acts

Aboriginal Heritage Act 1972
Archives Act 1983 (Federal)
Bush Fires Act 1954
Caravan Parks & Camping Grounds Act 1995
Children and Community Services Act 2004
Commonwealth Places (Administration of Laws) Act 1970
Control Of Vehicles (Off-Road Areas) Act 1978
Corruption and Crime Commission Act 2003
Disability Services Act 1993
Dividing Fences Act 1961
Dog Act 1976
Environmental Protection Act 1986
Equal Opportunity Act 1984
Evidence Act 1906
Fair Trading Act 1987
Freedom of Information Act 1992
Health Act 1911
Heritage Of Western Australia Act 1990
Financial Administration & Audit Act 1985
Fire & Emergency Services Authority of Western Australia Act 1998
Gaming and Wagering Act 1987
Industrial Relations Act 1979
Interpretation Act 1984
Land Administration Act 1997
Library Board Of Western Australia Act 1951
Liquor Licensing Act 1988
Litter Act 1979
Local Government (Miscellaneous Provisions) Act 1960
Local Government Act 1995
Local Government Grants 1978
Long Service Leave Act 1958
Main Roads Act 1930
Minimum Conditions of Employment Act 1993
Native Title (State Provisions) Act 1999
Occupational Safety and Health Act 1984
Parks & Reserves Act 1895
Planning & Development Act 2005
Property Law Act 1969
Public Interest Disclosure Act 2003
Public Works Act 1902
Rates & Charges (Rebates & Deferments) Act 1992
Residential Tenancies Act 1987
Road Traffic Act 1974
Sex Discrimination Act 1984 (Federal)
State Administrative Tribunal Act 2004
State Records Act 2000

Information Statement

State Superannuation Act 2000
Strata Titles Act 1985
The Criminal Code
Transfer Of Land Act 1893
Workers' Compensation & Injury Management Act 1981
Workplace Relations Act 1996 (Federal)

Federal & State Regulations

Aboriginal Heritage Regulations 1974
Building Regulations 1989
Caravan Parks & Camping Grounds Regulations 1997
Children And Community Services Regulations 2006
Children And Community Services (Child Care) Regulations 2006
Children And Community Services (Family Day Care) Regulations 2006
Children And Community Services (Outside School Hours Care) Regulations 2006
Children And Community Services (Outside School Hours Family Day Care) Regulations 2006
Dividing Fences Regulations 1971
Dog Regulations 1976
Environmental Protection (Noise) Regulations 1997
Equal Opportunity Regulations 1986
Fair Trading (Retirement Villages Code) Regulations 1993
Fire & Emergency Services Authority of WA Regulations 1998
Freedom Of Information Regulations 1993
Health Act (Carbon Monoxide) Regulations 1975
Health Act (Laundries And Bathrooms) Regulations 1971
Health Act (Underground Water Supply) Regulations 1959
Health Laboratory Service (Fees) Regulations
Health Services (Quality Improvement) Regulations 1995
Health (Air-Handling And Water Systems) Regulations 1994
Health (Anz Food Standards Code Adoption) Regulations 2001
Health (Asbestos) Regulations 1992
Health (Cloth Materials) Regulations 1985
Health (Construction Work) Regulations 1973
Health (Food Hygiene) Regulations 1993
Health (Food Standards) (Administration) Regulations 1986
Health (Garden Soil) Regulations 1998
Health (Immunisation By Local Governments) Regulations 2000
Health (Meat Hygiene) Regulations 2001
Health (Offensive Trades Fees) Regulations 1976
Health (Pesticides) Regulations 1956
Health (Pet Meat) Regulations 1990
Health (Poultry Manure) Regulations 2001
Health (Public Buildings) Regulations 1992
Health (Skin Penetration Procedure) Regulations 1998
Health (Swimming Pools) Regulations 1964
Health (Temporary Sanitary Conveniences) Regulations 1997
Health (Treatment Of Sewage And Disposal Of Effluent And Liquid Waste) Regulations 1974
Litter Regulations 1981

Information Statement

Local Government (Administration) Regulations 1996
Local Government (Amendment Of Part Via - Employee Superannuation) Regulations 2006
Local Government (Audit) Regulations 1996
Local Government (Constitution) Regulations 1998
Local Government (Elections) Regulations 1997
Local Government (Financial Management) Regulations 1996
Local Government (Functions And General) Regulations 1996
Local Government (Long Service Leave) Regulations 1977
Local Government (Parking For Disabled Persons) Regulations 1988
Local Government (Prohibition On Dealings In Land) Regulations 1973
Local Government (Qualification Of Municipal Officers) Regulations 1984
Local Government (Uniform Local Provisions) Regulations 1996
Occupational Safety and Health Regulations 1996
State Administrative Tribunal Regulations 2004
State Administrative Tribunal Rules 2004
State Administrative Tribunal Amendment Regulations 2007
Town Planning And Development (Easement) Regulations 1983
Town Planning And Development (Ministerial Determinations) Regulations 2003
Town Planning And Development (Subdivisions) Regulations 2000
Town Planning Regulations 1967
Town Planning (Local Government Planning Fees) Regulations 2000

Australian and International Standards

AS 4390.4 – Records Management - Control
AS 1170.1 – Dead & Live Loads & Load Combinations
AS 12170.2 & AS 4055 – Wind Loads
AS 1170.4 – Earthquake Loads
AS 1538 – Cold Formed Steel Structures
AS 3623 – Domestic Metal Framing
AS 4100 – Steel Structures
AS / NZS 1664 – Aluminium Structures Part 1
AS / NZS 1667 – Aluminium Structures Part 2
AS 1720.1 – Timber Structures Code
AS 2870 – Residential Slabs & Footings
AS 3600 – Concrete Structures
AS 2158 – Piling
AS 3700 – SAA Masonry Code
AS 2327.1 – Composite Construction In Steel & Concrete
AS 1288 – Glass In Buildings
AS 2047 – Windows In Buildings
AAS 27 – Financial Reporting by Local Government
WAS 17 – Local Government Taxation Standard
AS 4360 – Risk Management 1999
ISO 9002 – Quality System Management
ISO 14000 – Environmental Management
ISO 4360 – Risk Management
ISO 4801 – Safety
ISO – Compliance

Information Statement

Plans, Programs & Guides

Blackspot Grants
MRRG Road Grants
Capital Budgeting Strategy
Design Procedure Manual
Annual Budget and Plan for the Future
AUSPEC Manual
MRWA Field Guide
Local Government Clause 7 National Competition Statement
Strategic Plan

Codes

Building Code Of Australia
Electronic Records
General Disposal Authority For Local Government Records
Local Government Clause 7 National Competition Statement
Residential Design Codes Of Western Australia 2002
Road Traffic Code 2000
Uniform General By-Laws 1989

Local Laws

Bushfire Brigades
Cemeteries
Dogs
Extractive Industries
Health
Landfill and Transfer Station Facilities
Parking & Parking Facilities
Standing Orders
Thoroughfares and Public Places and Trading
Property
Pest Plants

26 November 2009

Mr Rob Stewart
Chief Executive Officer
Shire of Plantagenet
PO Box 48
MT BARKER WA 6324

Dear Rob

**AUDIT OF SHIRE OF PLANTAGENET
FOR THE YEAR ENDED 30TH JUNE 2009**

We advise that we have completed the audit of your Shire for the year ended 30th June 2009 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours sincerely



DAVID TOMASI
PARTNER

S:\David\Local Govt\Plantagenet\2009\YE Corri\09 CEO Letter.doc

-39-

16 Lakeside Corporate 24 Parkland Road Osborne Park WA 6017
PO Box 1707 Osborne Park Perth WA 6916

t + 61 8 9444 3400
f + 61 8 9444 3430

e perth@uhyhn.com.au
w www.uhyhainesnorton.com.au

An association of independent firms throughout Australia and a member of UHY, an international association of accounting and consulting firms

UHY Haines Norton - ABN 83 901 927 012

Liability limited by a scheme approved under Professional Standards Legislation

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF PLANTAGENET**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Plantagenet, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Shire of Plantagenet is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

-40-

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF PLANTAGENET (Continued)**

Statutory Compliance

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Repossession and Disposal of Ratable Land

Council has not given Form 2 and 3 to the owner of the land when seeking to repossess and dispose of rateable land with rates or service charges outstanding for a period of 3 years or more as required by Section 6.64 of the Act and Financial Management Regulations 72 and 73.

Other Matters

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, there are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Address: Perth, WA
Date: 26 November 2009

S:\David\Local Govt\Plantagenet\2009\YE Corr'09 June Audit Report.doc

Shire of Plantagenet
Financial Report
For the Year Ended 30 June 2009

Table Of Contents

Statement By Chief Executive Officer	43
Income Statement By Nature Or Type	44
Income Statement By Program	45
Balance Sheet	46
Statement Of Changes in Equity	47
Cash Flow Statement	48
Rate Setting Statement	49
Notes to and Forming Part of the Financial Report	50 - 91

Shire of Plantagenet
Principal Place of Business - 22-24 Lowood Road, Mount Barker, 6324
Postal Address - P.O.Box 48, Mount Barker, 6324

Shire of Plantagenet

Financial Report

For the Year Ended 30 June 2009

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement By Chief Executive Officer

The attached financial report of the Shire of Plantagenet being the annual financial report and other information for the financial year ended 30 June 2009 are, in my opinion, properly drawn up to present fairly the financial position of the Shire of Plantagenet as at 30 June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and Regulations under that Act.

Signed on the twenty-third day of October 2009



Rob Stewart
Chief Executive Officer

**Shire Of Plantagenet
Income Statement
By Nature Or Type
For the Year Ended 30 June 2009**

	Note	2009 \$	2009 Budget \$	2008 \$
Revenues From Ordinary Activities				
Rates	22	3,885,741	3,891,714	3,620,848
Operating Grants, Subsidies and Contributions	28	2,322,587	2,246,751	2,179,907
Fees and Charges	27	2,126,426	1,665,612	2,071,084
Interest Earnings	2(a)	197,847	185,000	261,632
Other Revenue		<u>130,692</u>	<u>20,554</u>	<u>23,482</u>
		8,663,293	8,009,631	8,156,953
Expenses From Ordinary Activities				
Employee Costs		(3,477,367)	(2,968,869)	(3,559,718)
Materials and Contracts		(2,117,099)	(1,954,607)	(1,477,978)
Utility Charges		(169,847)	(200,825)	(165,009)
Depreciation on Non-Current Assets	2(a)	(2,543,250)	(2,497,107)	(2,415,961)
Interest Expenses	2(a)	(311,552)	(315,618)	(303,839)
Insurance Expenses		(253,255)	(201,494)	(163,492)
Other Expenditure		<u>(355,011)</u>	<u>(256,558)</u>	<u>(393,512)</u>
		<u>(9,227,381)</u>	<u>(8,395,078)</u>	<u>(8,479,509)</u>
		(564,088)	(385,447)	(322,556)
Non-Operating Grants, Subsidies and Contributions	28	2,908,723	2,020,879	2,203,764
Profit on Asset Disposals	20	435,383	307,692	406,308
Loss on Asset Disposals	20	<u>(15,101)</u>	<u>(37,089)</u>	<u>(15,033)</u>
Net Result		<u><u>2,764,917</u></u>	<u><u>1,906,035</u></u>	<u><u>2,272,483</u></u>

This statement is to be read in conjunction with the accompanying notes.

**Shire Of Plantagenet
Income Statement
By Program
For the Year Ended 30 June 2009**

	Note	2009 \$	2009 Budget \$	2008 \$
Revenues From Ordinary Activities				
Governance		134,879	59,278	115,704
General Purpose Funding		6,729,546	5,387,722	5,078,406
Law, Order, Public Safety		515,369	684,407	463,437
Health		463,862	426,233	389,302
Education and Welfare		207,936	259,948	293,411
Community Amenities		527,998	493,445	508,913
Recreation and Culture		209,447	225,459	144,316
Transport		1,147,133	1,492,662	2,140,517
Economic Services		813,731	781,178	998,945
Other Property and Services		<u>1,257,498</u>	<u>527,870</u>	<u>634,074</u>
2(a)		12,007,399	10,338,202	10,767,025
Expenses From Ordinary Activities Excluding Borrowing Costs Expense				
Governance		(550,111)	(603,056)	(587,072)
General Purpose Funding		(306,450)	(299,591)	(323,437)
Law, Order, Public Safety		(397,559)	(401,427)	(383,017)
Health		(153,977)	(162,728)	(134,028)
Education and Welfare		(419,426)	(362,769)	(356,938)
Community Amenities		(932,540)	(953,607)	(1,030,667)
Recreation and Culture		(1,246,526)	(1,150,129)	(1,067,834)
Transport		(3,171,596)	(2,806,497)	(2,801,444)
Economic Services		(1,101,930)	(1,159,951)	(1,171,274)
Other Property and Services		<u>(650,815)</u>	<u>(216,794)</u>	<u>(334,991)</u>
2(a)		(8,930,930)	(8,116,549)	(8,190,702)
Borrowing Costs Expense				
Governance		(143,674)	(143,786)	(148,155)
Education and Welfare		(6)	(156)	(379)
Recreation and Culture		(13,139)	(13,398)	(445)
Economic Services		<u>(154,733)</u>	<u>(158,278)</u>	<u>(154,861)</u>
2(a)		(311,552)	(315,618)	(303,840)
Net Result		<u><u>2,764,917</u></u>	<u><u>1,906,035</u></u>	<u><u>2,272,483</u></u>

This statement is to be read in conjunction with the accompanying notes.

**Shire Of Plantagenet
Balance Sheet
as at 30 June 2009**

	Note	2009 \$	2008 \$
Current Assets			
Cash and Cash Equivalents	3	1,775,912	2,000,254
Trade and Other Receivables	4(a)	597,629	741,817
Inventories	5	48,557	46,909
Total Non Current Assets		<u>2,422,098</u>	<u>2,788,980</u>
Non-Current Assets			
Other Receivables	4(a)	181,944	37,938
Other Financial Assets	4(b)	4,692	4,692
Property, Plant and Equipment	6	14,966,459	12,914,350
Infrastructure	7	45,658,150	44,584,451
Total Non-Current Assets		<u>60,811,245</u>	<u>57,541,431</u>
Total Assets		<u>63,233,343</u>	<u>60,330,411</u>
Current Liabilities			
Trade and Other Payables	8	263,102	291,976
Current Portion of Long Term Borrowings	9	263,193	216,994
Provisions	10	518,158	492,315
Total Current Liabilities		<u>1,044,453</u>	<u>1,001,285</u>
Non-Current Liabilities			
Long Term Borrowings	9	4,774,237	4,667,618
Provisions	10	96,671	108,443
Total Non-Current Liabilities		<u>4,870,908</u>	<u>4,776,061</u>
Total Liabilities		<u>5,915,361</u>	<u>5,777,346</u>
Net Assets		<u>57,317,982</u>	<u>54,553,065</u>
Equity			
Retained Surplus		56,807,474	53,992,468
Reserves - Cash Backed	11	431,308	481,397
Reserves - Asset Revaluation	12	79,200	79,200
Total Equity		<u>57,317,982</u>	<u>54,553,065</u>

This statement is to be read in conjunction with the accompanying notes.

**Shire Of Plantagenet
Statement of Changes in Equity
For the Year Ended 30 June 2009**

	Note	2009 \$	2008 \$
Retained Surplus			
Balance as at 1 July 2008		53,992,468	51,214,202
Net Result		2,764,917	2,272,483
Transfer from / (to) Reserves		50,089	505,783
Balance as at 30 June 2009		<u>56,807,474</u>	<u>53,992,468</u>
Reserves - Cash Backed			
Balance as at 1 July 2008		481,397	987,180
Amount Transferred (to) / from Retained Surplus		(50,089)	(505,783)
Balance as at 30 June 2009	11	<u>431,308</u>	<u>481,397</u>
Reserves - Asset Revaluation			
Balance as at 1 July 2008		79,200	79,200
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2009	12	<u>79,200</u>	<u>79,200</u>
Total Equity		<u><u>57,317,982</u></u>	<u><u>54,553,065</u></u>

This statement is to be read in conjunction with the accompanying notes.

Shire of Plantagenet
Cash Flow Statement
For the Year Ended 30 June 2009

	Note	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,972,811	4,031,714	3668495
Operating Grants, Subsidies and Contributions		2,335,044	1,787,751	2,191,733
Fees and Charges		2,296,749	1,665,612	2034000
Interest Earnings		197,346	185,000	261632
Goods and Services Tax		444,124	388,898	565593
Other Revenue		115,692	77,141	24245
		<u>9,361,766</u>	<u>8,136,116</u>	<u>8,745,698</u>
Payments				
Employee Costs		(3,405,951)	(2,986,811)	(3,418,481)
Materials and Contracts		(2,186,856)	(1,993,251)	(1,686,637)
Utility Charges		(176,636)	(200,825)	(164,999)
Insurance Expenses		(252,848)	(201,494)	(163,492)
Interest Expenses		(313,495)	(315,618)	(306,910)
Goods and Services Tax		(365,608)	(388,898)	(545,525)
Other Expenditure		(403,509)	(256,558)	(388,354)
		<u>(7,104,903)</u>	<u>(6,343,455)</u>	<u>(6,674,398)</u>
Net Cash Provided By (Used in) Operating Activities	13(b)	<u>2,256,863</u>	<u>1,792,661</u>	<u>2,071,300</u>
Cash Flows from Investing Activities				
Purch of Property, Plant and Equipment		(3,153,648)	(3,569,546)	(1,230,379)
Construction of Infrastructure		(2,750,985)	(2,904,963)	(3,709,503)
Non-operating Grants, Subsidies and Contributions		2,781,409	2,020,879	2,280,877
Proceeds from Sale of Plant and Equipment		655,857	635,500	902,443
Proceeds from Self Supporting Loans		20,344	19,498	2,961
Advances to Community Groups		(187,000)	(187,000)	0
Net Cash Provided By (Used in) Investing Activities		<u>(2,634,023)</u>	<u>(3,985,632)</u>	<u>(1,753,601)</u>
Cash Flows From Financing Activities				
Repayment of Debentures		(234,182)	(233,336)	(203,920)
Proceeds from New Debentures		387,000	387,000	0
Net Cash Provided by (used in) Financing Activities		<u>152,818</u>	<u>153,664</u>	<u>(203,920)</u>
Net Increase (Decrease) in Cash Held		<u>(224,342)</u>	<u>(2,039,307)</u>	<u>113,779</u>
Cash at Beginning of Year		2,000,254	2,095,824	1,886,475
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,775,912</u></u>	<u><u>56,517</u></u>	<u><u>2,000,254</u></u>

This statement is to be read in conjunction with the accompanying notes.

**Shire Of Plantagenet
Rate Setting Statement
For the Year Ended 30 June 2009**

	Note	2009 \$	2009 Budget \$
Revenues			
Governance		134,879	59,278
General Purpose Funding		2,843,805	1,496,008
Law, Order, Public Safety		515,369	684,407
Health		463,862	426,233
Education and Welfare		207,936	259,948
Community Amenities		527,998	493,445
Recreation and Culture		209,447	225,459
Transport		1,147,133	1,492,662
Economic Services		813,731	781,178
Other Property and Services		<u>1,257,498</u>	<u>527,870</u>
		8,121,658	6,446,488
Expenses			
Governance		(693,785)	(746,842)
General Purpose Funding		(306,450)	(299,591)
Law, Order, Public Safety		(397,559)	(401,427)
Health		(153,977)	(162,728)
Education and Welfare		(419,432)	(362,925)
Community Amenities		(932,540)	(953,607)
Recreation and Culture		(1,259,665)	(1,163,527)
Transport		(3,171,596)	(2,806,497)
Economic Services		(1,256,663)	(1,318,229)
Other Property and Services		<u>(650,815)</u>	<u>(216,794)</u>
		(9,242,482)	(8,432,167)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit) / Loss on Asset Disposals	20	(420,282)	(270,603)
Movement in Employee Benefit Provisions		14,071	0
Depreciation and Amortisation on Assets	2(a)	2,543,250	2,497,107
Capital Expenditure & Revenue			
Purchase Land and Buildings		(1,565,137)	(2,156,665)
Purchase Infrastructure Assets		(2,890,570)	(3,321,079)
Purchase Plant and Equipment		(1,406,676)	(1,822,100)
Purchase Furniture & Equipment		(42,250)	(49,781)
Proceeds from Disposal of Assets	20	655,857	635,500
Repayment of Debentures	21(a)	(234,182)	(233,336)
Proceeds from New Debentures	21	387,000	387,000
Advances to Community Groups	21	(187,000)	(187,000)
Self-Supporting Loan Principal Income		20,344	19,498
Transfer to Unspent Grants		(388,526)	0
Transfer from Unspent Loan		147,000	235,587
Transfer from Restricted Funds		289,730	1,798,433
Transfers to Reserves	11	(86,711)	(160,000)
Transfers from Reserves	11	136,800	55,000
Add		584,798	566,404
Less		<u>322,433</u>	<u>(100,000)</u>
Amount Required To Be Raised From Rates	22	<u><u>(3,885,741)</u></u>	<u><u>(3,891,714)</u></u>

This statement is to be read in conjunction with the accompanying notes.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis Of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying Regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and report amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those moneys appears at Note 19 to this financial report.

(c) Goods and Services Tax (GST)

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of any applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(e) Trade & Other Receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectable amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectable.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held from trading are classified as current even if not expected to be realised in the next twelve months.

Land Held for Resale

Land purchased for development and / or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred in the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on the Council's intention to release for sale.

(g) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, the Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact that Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(h) Depreciation Of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture & Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed Roads & Streets	
Clearing & Earthworks	not depreciated
Construction / Road Base	50 years
Original Surfacing & Major Re-Surfacing	
- Bituminous Seals	20 years
Gravel Roads	
Clearing & Earthworks	not depreciated
Construction / Road Base	50 years
Gravel Sheet	12 years
Formed Roads (Unsealed)	
Clearing & Earthworks	not depreciated
Construction / Road Base	50 years
Footpaths - Slab	40 years

(i) Investments & Other Financial Assets

Classification

The Council classified its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial Assets At Fair Value Through Profit & Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(i) Investments & Other Financial Assets (Continued)

(iii) Held-To-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-For-Sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investment are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition & Derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are experienced in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available for-sale are recognised in equity.

Impairment

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment Of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the local government becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within twelve months represents the amount the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond twelve months, the liability is recognised as a current liability.

(n) Interest-Bearing Loans & Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligations; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they incurred.

(q) Joint Venture

The local government's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

(r) Rates, Grants, Donations & Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions as disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Shire of Plantagenet contributes the 9% super guarantee to each employee's chosen fund as per the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan. All funds that the Shire contributes to are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Current & Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond twelve months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next twelve months. Inventories held for trading are classified as current even if not expected to be realised in the next twelve months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. Significant Accounting Policies (Continued)

(u) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(v) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009.

The Council's assessment of these new standards and interpretations is set out below:

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii)	Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v)	AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi)	AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
	AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
	AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
	AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2007	1 January 2009	

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

(*) - Applicable to reporting periods commencing on or after the given date.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

2. Revenues & Expenses	2009	2008
	\$	\$
(a) Result From Ordinary Activities		
The Result From Ordinary Activities includes:		
(i) Charging As An Expense:		
Amortisation		
Capitalised Leased Assets (Mt Barker Recreation Centre)	6	63,708
		63,708
Auditor's Remuneration		
- Audit	18,750	15,450
- Other Services	6,100	9,550
Depreciation		
Buildings	6	291,762
Furniture and Equipment	6	102,762
Plant and Equipment	6	471,440
Infrastructure	7	1,677,286
		<u>2,543,250</u>
		<u>2,352,253</u>
Interest Expenses		
Debentures (refer Note 21(a))	311,552	303,839
	<u>311,552</u>	<u>303,839</u>
Rental Charges		
- Operating Leases	16,883	15,862
	<u>16,883</u>	<u>15,862</u>
(ii) Crediting as Revenue:		
	2009	2009
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	26,711	25,000
- Other Funds	125,520	160,000
Other Interest Revenue (refer Note 26)	45,616	40,500
	<u>197,847</u>	<u>225,500</u>
		<u>268,877</u>

Significant Revenue

In line with government policy on stimulating the economy, the Shire has received its 1st quarter Financial Assistance Grants for 2009/2010, comprising \$193,236 (Untied Road Grant) and \$104,696 (Untied General Grant). These funds have been included in the carried forward surplus.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

2. Revenues & Expenses (Continued)

(b) Statement of Objective

The Shire of Plantagenet is dedicated to providing the services and facilities that meet the needs of the members of the Plantagenet community to enable them to enjoy a pleasant and healthy way of life. The Council's principal activities, as disclosed in this financial report, encompass the following service orientated programs:

General Purpose Funding

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and investments.

Governance

Objective: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

Law, Order & Public Safety

Objective: To provide services to help ensure a safer community.

Activities: Fire prevention, emergency services, animal control and administration of local laws.

Health

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, immunisation services, inspection of abattoir and provision of child health clinic building.

Education and Welfare

Objective: To meet the needs of community in these areas.

Activities: Operation of Home and Community Care and the provision of the Booth Street Kindergarten building. Assistance to playgroup, Plantagenet Village Homes and other voluntary services.

Community Amenities

Objective: Provide services required by the community.

Activities: Rubbish collection services, cemeteries, public toilets, operation of refuse sites and administration of the Town Planning Scheme.

Recreation and Culture

Objective: To establish and manage infrastructure and resources to assist the social well being of the community.

Activities: Operation of community halls and pavilions, ovals, public swimming pool, libraries, art gallery, recreation centre and various reserves. Provision of Mitchell House (Art Centre).

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

2. Revenues & Expenses (Continued)

(b) Statement of Objective (Continued)

Transport

Objective: To provide effective and efficient transport infrastructure to the community.

Activities: Construction and maintenance of streets, roads and bridges and lighting of streets.

Economic Services

Objective: To promote the Shire and improve its economic wellbeing.

Activities: The development of tourism and area promotion. Regulation of building control.

Provision of standpipes.

Other Property and Services

Activities: Private works, Public works and plant overhead allocations.

(c) Conditions Over Contributions

Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie: opening balances).	2009 \$	2008 \$
Roads to Recovery (Supp Pmt) - (Restricted - Municipal)	0	339,179
TIRES - Spencer Road (SLK0 to SLK2.15)	729,895	530,162
RTR - Barrow Road	55,630	0
RRG - Mount Barker-Porongurup Road (SLK12 to SLK15)	52,512	0
Blackspot - Woogenellup Road (Floodway)	68,661	0
Blackspot - Carbarup Road - Rail Crossing	8,728	0
Council Funded Flood Damage from 2005 / 2006	0	41,421
RRG Spencer Road Land Acquisition	0	5,282
Safety Lighting Study - Wilson Park	0	4,500
Community Safety and Crime Prevention Grant	3,500	10,000
Great Southern Development Comm. - Snapshot Profile	0	5,000
Zero Waste Grant	6,000	0
Community Risk Assessment Program	1,792	0
Disability and Inclusion Plan	5,985	0
	932,703	935,544

Add:

New grants which were recognised as revenues during the reporting period & which had not yet been fully expended in the manner specified by the contributor.

TIRES - Spencer Road (SLK 0 to SLK 2.15)	0	800,000
TIRES - Spencer Road (SLK 6 to SLK 8)	160,000	0
TIRES - Spencer Road (Albany Hwy Slip Lanes)	40,000	0
RTR - Barrow Road	0	60,000
RRG - Mount Barker-Porongurup Road (SLK 12 to SLK 15)	101,333	101,333
RRG - Mount Barker-Porongurup Road (SLK 15 to SLK 18)	202,666	0
Blackspot - Woogenellup Road (Floodway)	99,927	74,461
Blackspot - Carbarup Road - Rail Crossing	62,820	41,880
Blackspot - Eulup-Manurup Road	17,807	0
Blackspot - Lowood Road/Mondurup Street	94,800	0
Zero Waste Grant	12,000	6,000
Community Risk Assessment Program	0	7,865
Disability and Inclusion Plan	0	12,519
Regional & Local Community Infrastructure Program	100,000	0
Country Local Government Fund (Royalties for Regions)	1,071,541	0

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

2. Revenues & Expenses (Continued)

(c) Conditions Over Contributions (Continued)	2009	2008
	\$	\$
Less:		
Grants which were recognised as revenues in a previous reporting period & which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery (Supp Pmt) - (restricted - municipal)	0	(339,179)
TIRES - Spencer Road (SLK0 to SLK2.15)	(729,895)	(600,267)
TIRES - Spencer Road (SLK6 to SLK8)	(131,890)	0
TIRES - Spencer Road (Albany Hwy Slip Lanes)	(18,163)	0
RTR - Barrow Road	(55,630)	(4,370)
RRG - Mount Barker-Porongurup Road (SLK 12 to SLK 15)	(153,845)	(48,821)
RRG - Mount Barker-Porongurup Road (SLK 15 to SLK 18)	(202,666)	0
RRG - Woogenellup Road (Floodway)	(168,588)	(5,800)
RRG - Carbarup Road - Rail Crossing	(71,548)	(33,152)
Blackspot - Eulup-Manurup Road	(17,807)	0
Council Funded Flood Damage from 2005 / 2006	0	(41,421)
RRG Spencer Road Land Acquisition	0	(5,282)
Safety Lighting Study - Wilson Park	0	(4,500)
Community Safety and Crime Prevention Grant	(3,500)	(6,500)
Community Risk Assessment Program	(1,792)	(6,073)
Disability and Inclusion Plan Support Grant	(5,985)	(6,534)
Great Southern Development Comm. - Snapshot Profile	0	(5,000)
Regional & Local Community Infrastructure Program	(78,090)	0
Closing balances of unexpended grants	<u>1,256,198</u>	<u>932,703</u>
Comprises:		
TIRES - Spencer Road (SLK 0 to SLK 2.15)	0	729,895
TIRES - Spencer Road (SLK 6 to SLK 8)	28,110	0
TIRES - Spencer Road (Albany Hwy Slip Lanes)	21,837	0
RTR - Barrow Road	0	55,630
RRG - Mount Barker-Porongurup Road (SLK 12 to SLK 15)	0	52,512
RRG - Woogenellup Road (Floodway)	0	68,661
RRG - Carbarup Road - Rail Crossing	0	8,728
Blackspot - Lowood Road/Mondurup Street	94,800	0
Community Safety and Crime Prevention Grant	0	3,500
Zero Waste Grant	18,000	6,000
Community Risk Assessment Program	0	1,792
Disability and Inclusion Plan	0	5,985
Regional & Local Community Infrastructure Program	21,910	0
Country Local Government Fund (Royalties for Regions)	1,071,541	0
	<u>1,256,198</u>	<u>932,703</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

	2009	2008
	\$	\$
3. Cash and Cash Equivalents		
Cash on Hand - Unrestricted	3,400	3,600
Cash at Bank - Municipal	1,341,204	1,515,256
Cash at Bank - Reserves - Restricted	431,308	481,398
	<u>1,775,912</u>	<u>2,000,254</u>
 Cash at Bank - Municipal		
Represented by:		
Cash at Bank - Municipal - Unrestricted	(3,581)	57,236
Cash at Bank - Municipal - Restricted	1,344,785	1,458,020
	<u>1,341,204</u>	<u>1,515,256</u>
 Cash at Bank - Municipal - Restricted		
Represented by:		
Former Trust Funds	0	289,730
Unspent Grants	1,256,198	932,703
Unspent Loans	88,587	235,587
	<u>1,344,785</u>	<u>1,458,020</u>
 Cash at Bank - Reserves - Restricted		
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Leave Reserve	5,255	0
Plant Replacement Reserve	109,175	78,879
Town Drainage Reserve	60,603	71,599
Great Southern Regional Saleyards Reserve	0	0
Land Rehabilitation Reserve	43,852	68,641
Kendenup Hall & Grounds Reserve	1,859	1,769
Waste Management Reserve	6,833	6,502
Recreation Reserve	29,898	28,448
Electronic Equipment Reserve	0	0
Roadworks Carried Forward Reserve	0	0
Kendenup Townsite Development Study Reserve	4,528	4,308
Cemetery Reserve	0	0
Outstanding Land Resumptions Reserve	7,121	10,204
Shire Development Reserve	141,164	211,048
Flood Damage Reserve	21,020	0
	<u>431,308</u>	<u>481,398</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

4(a). Trade & Other Receivables	2009 \$	2008 \$
Current		
Rates Outstanding	157,280	246,132
Sundry Debtors	423,951	478,490
Other Receivables	20,070	5,497
GST Receivable	0	39,802
Loans - Clubs / Institutions	15,644	3,155
Provision For Doubtful Debts	<u>(19,316)</u>	<u>(31,259)</u>
	<u>597,629</u>	<u>741,817</u>
Non-Current		
Rates Outstanding - Pensioners	20,205	30,366
Loans - Clubs / Institutions	<u>161,739</u>	<u>7,572</u>
	<u>181,944</u>	<u>37,938</u>
4(b). Other Financial Assets		
Investment in Mount Barker Co-operative shares - shareholding of 8,099 shares at cost	<u>4,692</u>	<u>4,692</u>
	<u>4,692</u>	<u>4,692</u>
5. Inventories		
Current		
Fuel and Materials	<u>48,557</u>	<u>46,909</u>
	<u>48,557</u>	<u>46,909</u>
6. Property, Plant and Equipment		
Land and Buildings - Cost	12,181,051	11,257,811
Less Accumulated Depreciation	<u>(2,363,066)</u>	<u>(2,071,305)</u>
	9,817,985	9,186,506
Land and Buildings - Work in Progress - Cost	<u>913,333</u>	<u>180,564</u>
	913,333	180,564
Furniture & Equipment - Cost	854,869	815,289
Less Accumulated Depreciation	<u>(573,432)</u>	<u>(472,617)</u>
	281,437	342,672
Plant and Equipment - Cost	6,625,379	6,428,586
Less Accumulated Depreciation	<u>(2,671,675)</u>	<u>(3,223,978)</u>
	3,953,704	3,204,608
	<u>14,966,459</u>	<u>12,914,350</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

6. Property, Plant and Equipment (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Work In Progress (L & B) \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2008	9,186,506	180,564	342,672	3,204,608	12,914,350
Additions	651,804	913,333	42,250	1,406,676	3,014,063
(Disposals)	(48,712)	0	(723)	(186,140)	(235,575)
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(291,762)	0	(102,762)	(471,440)	(865,964)
Other Movements	320,149	(180,564)	0	0	139,585
Balance as at 30 June 2009	<u>9,817,985</u>	<u>913,333</u>	<u>281,437</u>	<u>3,953,704</u>	<u>14,966,459</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

7. Infrastructure	2009 \$	2008 \$
Roads - Cost	83,345,648	80,527,877
Less Accumulated Depreciation	<u>(40,323,447)</u>	<u>(38,719,575)</u>
	43,022,201	41,808,302
Drains - Cost	1,097,053	1,065,539
Less Accumulated Depreciation	<u>(17,942)</u>	<u>(13,192)</u>
	1,079,111	1,052,347
Footpaths - Cost	443,324	436,841
Less Accumulated Depreciation	<u>(13,528)</u>	<u>(8,573)</u>
	429,796	428,268
Parks & Ovals - Cost	<u>522,952</u>	<u>627,736</u>
	522,952	627,736
Recreation Facilities - Cost	1,274,168	1,274,168
Less Accumulated Amortisation	<u>(670,078)</u>	<u>(606,370)</u>
	604,090	667,798
	<u>45,658,150</u>	<u>44,584,451</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

7. Infrastructure (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Footpaths \$	Drainage \$	Parks & Ovals \$	Recreation Facilities \$	Total \$
Balance as at 1 July 2008	41,808,302	428,268	1,052,347	627,736	667,798	44,584,451
Additions	2,817,772	6,483	31,514	34,801	0	2,890,570
(Disposals)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(1,603,873)	(4,955)	(4,750)	0	0	(1,613,578)
Amortisation (Expense)	0	0	0	0	(63,708)	(63,708)
Other Movements	0	0	0	(139,585)	0	(139,585)
Balance as at 30 June 2009	<u>43,022,201</u>	<u>429,796</u>	<u>1,079,111</u>	<u>522,952</u>	<u>667,798</u>	<u>45,658,150</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

	2009	2008
	\$	\$
8. Trade & Other Payables		
Current		
Sundry Creditors	45,308	107,621
Other Creditors	48,243	75,575
GST Payable	38,780	0
ESL Liability	18,388	26,090
Accrued Interest on Debentures	42,775	44,718
Accrued Salaries and Wages	69,608	37,972
	<u>263,102</u>	<u>291,976</u>
9. Long-Term Borrowings		
Current		
Secured by Floating Charge Debentures	<u>263,193</u>	<u>216,994</u>
	<u>263,193</u>	<u>216,994</u>
Non-Current		
Secured by Floating Charge Debentures	<u>4,774,237</u>	<u>4,667,618</u>
	<u>4,774,237</u>	<u>4,667,618</u>
Additional detail on borrowings is provided in Note 21.		
10. Provisions		
Current		
Provision for Annual Leave	341,826	341,963
Provision for Long Service Leave	176,332	150,352
	<u>518,158</u>	<u>492,315</u>
Non-Current		
Provision for Long Service Leave	96,671	108,443
	<u>96,671</u>	<u>108,443</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

	2009 \$	2009 Budget \$	2008 \$
11. Reserves - Cash Backed			
(a) Employee Leave Reserve			
Opening Balance	0	0	7,622
Amount Set Aside / Transfer to Reserve	5,255	5,260	413
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(8,035)</u>
	<u>5,255</u>	<u>5,260</u>	<u>0</u>
(b) Plant Replacement Reserve			
Opening Balance	78,879	78,879	73,329
Amount Set Aside / Transfer to Reserve	30,296	29,033	5,550
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>109,175</u>	<u>107,912</u>	<u>78,879</u>
(c) Town Drainage Reserve			
Opening Balance	71,599	71,599	85,269
Amount Set Aside / Transfer to Reserve	3,604	2,479	6,453
Amount Used / Transfer from Reserve	<u>(14,600)</u>	<u>(25,000)</u>	<u>(20,123)</u>
	<u>60,603</u>	<u>49,078</u>	<u>71,599</u>
(d) Great Southern Regional Saleyards Reserve			
Opening Balance	0	0	37,417
Amount Set Aside / Transfer to Reserve	0	0	2,029
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(39,446)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(e) Land Rehabilitation Reserve			
Opening Balance	68,641	68,641	99,338
Amount Set Aside / Transfer to Reserve	3,411	2,376	6,756
Amount Used / Transfer from Reserve	<u>(28,200)</u>	<u>(30,000)</u>	<u>(37,453)</u>
	<u>43,852</u>	<u>41,017</u>	<u>68,641</u>
(f) Kendenup Hall & Grounds Reserve			
Opening Balance	1,769	1,769	1,645
Amount Set Aside / Transfer to Reserve	90	61	124
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,859</u>	<u>1,830</u>	<u>1,769</u>
(g) Waste Management Reserve			
Opening Balance	6,502	6,502	45,008
Amount Set Aside / Transfer to Reserve	331	105,433	2,758
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(41,264)</u>
	<u>6,833</u>	<u>111,935</u>	<u>6,502</u>
(h) Recreation Reserve			
Opening Balance	28,448	28,448	26,446
Amount Set Aside / Transfer to Reserve	1,450	985	2,002
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>29,898</u>	<u>29,433</u>	<u>28,448</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

	2009 \$	2009 Budget \$	2008 \$
11. Reserves - Cash Backed (continued)			
(i) Electronic Equipment Reserve			
Opening Balance	0	0	9,582
Amount Set Aside / Transfer to Reserve	0	0	520
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(10,102)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(j) Roadworks Carried Forward Reserve			
Opening Balance	0	0	576,865
Amount Set Aside / Transfer to Reserve	0	0	35,607
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(612,472)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(k) Kendenup Townsite Development Study Reserve			
Opening Balance	4,308	4,308	21,283
Amount Set Aside / Transfer to Reserve	220	149	1,240
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(18,215)</u>
	<u>4,528</u>	<u>4,457</u>	<u>4,308</u>
(l) Cemetery Reserve			
Opening Balance	0	0	3,376
Amount Set Aside / Transfer to Reserve	0	0	183
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(3,559)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(m) Outstanding Land Resumptions Reserve			
Opening Balance	10,204	10,204	0
Amount Set Aside / Transfer to Reserve	10,917	10,874	10,204
Amount Used / Transfer from Reserve	<u>(14,000)</u>	<u>0</u>	<u>0</u>
	<u>7,121</u>	<u>21,078</u>	<u>10,204</u>
(n) Shire Development Reserve			
Opening Balance	211,048	211,049	0
Amount Set Aside / Transfer to Reserve	10,116	7,307	211,048
Amount Used / Transfer from Reserve	<u>(80,000)</u>	<u>0</u>	<u>0</u>
	<u>141,164</u>	<u>218,356</u>	<u>211,048</u>
(o) Flood Damage Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	21,020	21,042	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,020</u>	<u>21,042</u>	<u>0</u>
Total Cash Backed Reserves	<u>431,308</u>	<u>611,398</u>	<u>481,398</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

11. Reserves - Cash Backed (continued)

All of the cash backed reserve accounts are supported by money held in Bendigo Bank and match the amounts shown as restricted reserves cash in Note 3.

In accordance with Council resolutions and budgets in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Employee Leave Reserve

- To be used to fund long service leave requirements.

Plant Replacement Reserve

- To be used for the purchase of major plant.

Town Drainage Reserve

- To be used for the construction of drainage.

Great Southern Regional Saleyards Reserve

- To be used to assist with repayment of GSRS loans.

Land Rehabilitation Reserve

- To be used for the rehabilitation of DEP requirements relating to any Council property.

Kendenup Hall & Grounds Reserve

- To be used for maintenance & improvements for Kendenup Hall.

Waste Management Reserve

- To be used to fund refuse site improvements and other waste management initiatives.

Recreation Reserve

- To be used to fund improvements in recreation facilities.

Electronic Equipment Reserve

- To be used to fund electronic equipment requirements.

Roadworks Carried Forward Reserve

- To be used to fund uncompleted roadworks.

Kendenup Townsite Development Study Reserve

- To be used to fund a Planning Development study into the township of Kendenup.

Cemetery Reserve

- To be used for the expansion of the Mount Barker Cemetery.

Outstanding Land Resumptions Reserve

- To fund old / outstanding obligations for land resumptions associated with road realignments

Shire Development Reserve

- To fund major projects and developments which the Council may decide to undertake

Flood Damage Reserve

- To fund the Council's proportion of major flood damage events

The Employee Leave, Plant Replacement, Town Drainage, Outstanding Land Resumptions and Flood Damage Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised. The Council has established a Long Term Financial Planning Working Group which will make a recommendation to the Council on the rationalisation and use of the remaining reserves.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

12. Reserves - Asset Revaluation	2009 \$	2008 \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
Bushfire Equipment		
Balance as at 1 July 2008	79,200	79,200
Revaluation Increment	0	0
Revaluation Decrement	<u>0</u>	<u>0</u>
Balance as at 30 June 2009	<u>79,200</u>	<u>79,200</u>
Total Asset Revaluation Reserve	<u>79,200</u>	<u>79,200</u>

13. Notes To The Cash Flow Statement

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>1,775,912</u>	<u>56,517</u>	<u>2,000,254</u>

(b) Reconciliation of Net Cash Provided By

Operating Activities to Net Result

Net Result	2,764,917	1,906,035	2,272,483
Amortisation	63,708	63,708	63,708
Depreciation	2,479,542	2,433,400	2,352,253
(Profit) / Loss on Sale of Asset	(420,282)	(270,603)	(391,275)
(Increase) / Decrease in Receivables	166,838	159,869	120,338
(Increase) / Decrease in Inventories	(1,648)	(25,657)	5,039
Increase / (Decrease) in Payables	(28,874)	5,788	(181,026)
Increase / (Decrease) in Employee Provisions	14,071	0	110,657
Grants / Contributions for the			
Development of Assets	<u>(2,781,409)</u>	<u>(2,479,879)</u>	<u>(2,280,877)</u>
Net Cash From Operating Activities	<u>2,256,863</u>	<u>1,792,661</u>	<u>2,071,300</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

13. Notes To The Cash Flow Statement (Continued)

(c) Undrawn Borrowing Facilities	2009	2008
	\$	\$
Credit Standby Arrangements		
Bank Overdraft limit	800,000	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>(491)</u>	<u>(1,946)</u>
Total Amount of Credit Unused	<u>809,509</u>	<u>8,054</u>
Loan Facilities		
Loan Facilities - Current	263,193	216,994
Loan Facilities - Non-Current	<u>4,774,237</u>	<u>4,667,618</u>
Total Facilities in Use at Balance Date	<u>5,037,430</u>	<u>4,884,612</u>
Unused Loan Facilities at Balance Date	<u>88,587</u>	<u>235,587</u>

14. Contingent Liabilities

There were no known contingent liabilities at 30 June 2009.

15. Capital & Leasing Commitments

(a) Finance Lease Commitments

There are no outstanding finance lease commitments at 30 June 2009.

(b) Operating Lease Commitments	2009	2008
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	12,817	15,860
- later than one year but not later than five years	<u>15,892</u>	<u>9,841</u>
	<u>28,709</u>	<u>25,701</u>
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects (New HACC Building)	0	300,777
- capital expenditure projects (New Medical Centre Building)	387,646	0
Payable:		
- not later than one year	387,646	300,777

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

16. Joint Venture

The Minister Of Education and the Shire of Plantagenet jointly funded the construction of the School and Community Recreation Centre during 1997/1998. The Recreation Centre was built on land vested in the Ministry of Education which has granted the Shire a 21 year licence to use the facilities for recreational purposes. Whilst utilities and maintenance expenses are to be shared, garden maintenance costs are to be borne entirely by the Ministry. The Council's share of these assets as follows:

	2009	2008
	\$	\$
Non-Current Assets		
Plant and Equipment	1,274,168	1,274,168
Less: Accumulated Amortisation	<u>(670,078)</u>	<u>(606,370)</u>
	<u><u>604,090</u></u>	<u><u>667,798</u></u>

17. Total Assets Classified By Function & Activity

Governance	3,147,255	3,265,250
Law, Order, Public Safety	1,263,428	868,253
Health	24,033	21,014
Education and Welfare	88,831	94,018
Community Amenities	1,190,703	388,618
Recreation and Culture	2,142,280	2,268,427
Transport	44,533,778	43,288,916
Economic Services	3,430,175	3,510,692
Other Property and Services	3,836,446	3,536,724
Unallocated	<u>3,576,414</u>	<u>3,088,499</u>
	<u><u>63,233,343</u></u>	<u><u>60,330,411</u></u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

	2009	2008	2007
18. Financial Ratios			
Current Ratio	0.649	0.885	0.682
Untied Cash to Unpaid Trade Creditors Ratio	0.026	0.565	0.009
Debt Ratio	0.094	0.096	0.104
Debt Service Ratio	0.061	0.061	0.069
Gross Debt to Revenue Ratio	0.563	0.584	0.644
Gross Debt to			
Economically Realisable Assets Ratio	0.287	0.310	0.321
Rate Coverage Ratio	0.327	0.340	0.372
Outstanding Rates Ratio	0.030	0.062	0.075

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

19. Trust Funds

Funds held at balance date over which the Municipality has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-08	Amounts Received	Amounts Paid	Balance 30-Jun-09
	\$	\$	\$	\$
Feral Pig Eradication Committee	40,701	0	17,509	23,192
Middleward BFB Funds	8,917	846	420	9,343
Contribution - Public Open Space	191,492	24,000	15,000	200,492
Contribution - Roadworks	44,647	0	0	44,647
Bonds - Housing Relocation	48,500	7,500	10,000	46,000
Bonds - Extractive Industries	6,000	0	0	6,000
Bonds - Road Construction Guarantee	128,502	0	35,286	93,216
Bonds - Tree / Garden / Planting	11,072	2,357	9,120	4,309
Bonds - Subdivisional	67,252	1,000	48,557	19,695
Bonds - Parking	3,000	0	0	3,000
Bonds - Footpath	0	3,105	0	3,105
Bonds - Other	9,563	13,247	12,543	10,267
Great Southern Health	714	0	714	0
Payment in Advance - Rates	635	0	635	0
Sale of land due to non payment of rates	4,047	0	4,047	0
Tidy Towns Committee	1,167	0	1,167	0
Unidentified Receipts	4,106	0	4,106	0
	<u>570,315</u>			<u>463,266</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

20. Disposals Of Assets - 2008 / 2009 Financial Year

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
Ford Fairmont	16,846	15,315	14,545	25,000	(2,301)	9,685
Toyota Hilux Dual Cab	0	23,931	0	34,000	0	10,069
Law, Order and Public Safety						
Toyota Hilux 4x4	20,716	23,953	28,182	37,000	7,466	13,047
Health						
Toyota 380 ES	17,814	16,968	10,488	15,000	(7,326)	(1,968)
Community Amenities						
Ford Fairmont Ghia	23,256	30,798	18,455	20,000	(4,801)	(10,798)
Economic Services						
Furniture - Redman House - Disposal	723	0	50	0	(673)	0
Toyota Hilux 4x4	0	20,156	0	19,500	0	(656)
Other Property and Services						
JCB Loader	0	64,419	66,000	50,000	66,000	(14,419)
Hino 4x2 Medium Truck	9,964	34,249	68,182	25,000	58,218	(9,249)
Mitsubishi Plus Pig Trailer	12,508	12,509	100,000	100,000	87,492	87,491
Mitsubishi Plus Pig Trailer	9,227	16,884	86,738	100,000	77,511	83,116
Hino 4x2 Small Truck	34,248	11,956	35,000	27,000	752	15,044
Lombardi Low Loader Trailer	0	0	0	20,000	0	20,000
Toyota Hilux Dual Cab	23,270	25,786	26,818	36,000	3,548	10,214
Toyota Hilux Dual Cab	18,291	19,265	21,199	27,000	2,908	7,735
Unclassified						
Sale of Chillinup Site (Plantagenet Share)	48,712	48,712	180,200	100,000	131,488	51,288
TOTAL	235,575	364,901	655,857	635,500	420,282	270,599

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

21. Information On Borrowings

(a) Debenture Repayments

Particulars	Principal 01-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
New Administration Centre (90)	2,464,145	0	88,080	88,080	2,376,065	2,376,065	143,674	142,150
Health								
Plantagenet Medical Centre (92)	0	200,000	0	0	200,000	200,000	0	0
Education and Welfare								
*Plantagenet Village Homes (85)	4,691	0	4,691	4,691	0	0	6	156
Recreation and Culture								
*Mount Barker Golf Club (86)	6,036	0	1,369	1,369	4,667	4,668	362	375
*Mount Barker Golf Club (91)	0	187,000	14,284	13,437	172,716	173,563	12,777	12,913
Economic Services								
Cattle Yards (83)	183,563	0	23,438	23,438	160,125	160,125	11,315	11,965
Cattle Yards (84)	1,035,247	0	61,276	61,276	973,971	973,971	69,755	72,020
Cattle Yards (89)	1,190,930	0	41,044	41,044	1,149,886	1,149,886	73,663	73,447
	4,884,612	387,000	234,182	233,335	5,037,430	5,038,278	311,552	313,027

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

21. Information On Borrowings (Cont'd)

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Health Plantagenet Medical Centre (92)	200,000	200,000	Mount Barker Community Bank (Bendigo Bank)	Debenture	10	0	0.00%	200,000	200,000	0
Recreation and Culture *Mount Barker Golf Club (91)	187,000	187,000	WATC	Debenture	10	78,797	7.26%	187,000	187,000	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-08 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-09 \$
Remedial Works Saleyards (89)	April 2005	235,587	0	(147,000)	88,587
		235,587	0	(147,000)	88,587

(d) Overdraft

The Council established an overdraft facility of \$800,000 in 2008/2009 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was \$Nil.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

22. Rating Information - 2008 / 2009 - Financial Year

Rate Type	Rate In \$	Number Of Properties	Original Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV - Mount Barker Townsite	10.7020	783	5,897,407	631,097	16,001	162	647,260	626,526	15,000	0	641,526
GRV - Strata Title	10.7020	2	12,792	1,369	(89)	0	1,280	1,369	0	0	1,369
GRV - Rural Townsites	10.7020	163	953,536	102,047	2,809	196	105,052	101,496	1,000	0	102,496
GRV - Rural	10.7020	48	923,498	98,833	56	0	98,889	104,103	0	0	104,103
UV - Rural	0.6498	1,463	408,987,000	2,657,598	5,662	0	2,663,260	2,655,720	12,000	0	2,667,720
Sub-Totals		2,459	416,774,233	3,490,944	24,439	358	3,515,741	3,489,214	28,000	0	3,517,214
Minimum Rates	Minimum \$										
GRV - Mount Barker Townsite	500	200	313,365	100,000	0	0	100,000	102,500	0	0	102,500
GRV - Strata Title	500	89	133,500	44,500	0	0	44,500	44,500	0	0	44,500
GRV - Rural Townsites	500	357	302,905	178,500	0	0	178,500	179,000	0	0	179,000
GRV - Rural	500	25	88,587	12,500	0	0	12,500	12,500	0	0	12,500
UV - Rural	500	66	3,848,100	33,000	0	0	33,000	32,000	0	0	32,000
UV - Mining	500	3	9,777	1,500	0	0	1,500	4,000	0	0	4,000
Sub-Totals		740	4,696,234	370,000	0	0	370,000	374,500	0	0	374,500
Totals				3,860,944			3,885,741				3,891,714

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

23. Specified Area Rate - 2008 / 2009 Financial Year

There were no specified area rates levied in the 2008 / 2009 financial year.

24. Service Charges - 2008 / 2009 Financial Year

There were no service charges levied in the 2008 / 2009 financial year.

25. Discounts, Incentives, Concessions & Write-Offs - 2008 / 2009 Financial Year

	Type	Disc %	Total Cost / Value \$	Budget Cost / Value \$
Rate Assessment	Write-Off	N/A	13,215	0

Rates balances under \$5.00 are written off at the end of each year.

26. Interest Charges & Instalments - 2008 / 2009 Financial Year

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	32,065	30,000
Interest on Instalment Plans	5.50	N/A	13,551	10,500
Charges on Instalment Plans	N/A	5.00	8,638	8,650
			54,254	49,150

Ratepayers had the option of paying rates in four equal instalments, due on 19 August 2008, 20 October 2008, 19 December 2008 and 17 February 2009. Administration charges and interest applied for the final three instalments.

27. Fees and Charges	2009 \$	2008 \$
General Purpose Funding	24,427	54,150
Governance	8,131	7,384
Law, Order, Public Safety	18,768	5,445
Health	4,351	4,294
Education and Welfare	112,526	86,363
Community Amenities	393,072	502,913
Recreation and Culture	133,145	133,614
Transport	985	0
Economic Services	656,662	752,352
Other Property and Services	774,359	524,569
	<u>2,126,426</u>	<u>2,071,084</u>

There was one change during the year to the amount of the fees or charges detailed in the original budget. A new fee for the disposal of cardboard at refuse sites by commercial operators (10/m³) was introduced.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

28. Grant Revenue	2009	2008
	\$	\$
By Nature & Type:		
Operating Grants, Subsidies and Contributions	2,322,587	2,179,907
Non-operating Grants, Subsidies and Contributions	<u>2,908,723</u>	<u>2,203,764</u>
	<u><u>5,231,310</u></u>	<u><u>4,383,671</u></u>
By Program:		
General Purpose Funding	2,620,481	1,140,747
Governance	64,101	108,943
Law, Order, Public Safety	489,135	457,993
Health	459,510	110
Education and Welfare	95,410	206,728
Community Amenities	133,600	6,000
Recreation and Culture	63,119	11,098
Transport	1,146,147	2,140,517
Economic Services	133,540	222,457
Other Property and Services	<u>26,267</u>	<u>89,078</u>
	<u><u>5,231,310</u></u>	<u><u>4,383,671</u></u>

29. Councillors' Remuneration	2009	2009	2008
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to Council members and / or the president.			
Conferences & Training	13,469	25,000	21,569
Councillors Incidental Expenses	9,498	8,000	6,357
Deputy President's Allowance	1,120	1,120	1,120
Elected Members - Sitting Fees	70,000	70,000	70,000
President's Allowance	4,480	4,480	4,480
Travelling Allowance	<u>5,218</u>	<u>20,000</u>	<u>13,870</u>
	<u><u>103,785</u></u>	<u><u>128,600</u></u>	<u><u>117,396</u></u>

30. Employees' Remuneration

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range	2009	2008
\$	\$	\$
110,000 - 119,999	<u>1</u>	<u>1</u>

31. Employee Numbers

The number of full-time equivalent employees at balance date.

2009	2008
<u>53</u>	<u>57</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

32. Major Land Transactions

The Council did not participate in any major land transactions during the 2008/2009 financial year.

33. Trading Undertakings and Major Trading Undertakings

The Great Southern Regional Cattle Saleyards	2009 \$	2009 Budget \$	2008 \$
Number of Cattle Sold	64,979	60,000	74,285
Operating Revenue			
Agent Contributions	65,828	60,000	78,943
Entry Fees	12,000	10,000	12,000
Saleyard Weigh & Pen Fees	418,969	385,000	485,236
Other Operating Income	3,535	3,500	3,476
Avdata Income	18,735	18,000	20,731
NLIS Tagging	12,731	10,000	12,547
Hay Feeding	5,937	10,000	11,396
Stock Removal	2,443	1,000	2,509
Sale of Manure	4,900	3,000	2,838
Yard Fees - Appraisal	0	0	6,989
Shippers / Private Weigh	10,112	5,000	5,640
	<u>555,190</u>	<u>505,500</u>	<u>642,305</u>

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

33. Trading Undertakings and Major Trading Undertakings (Continued)

The Great Southern Regional Cattle Saleyards	2009 \$	2009 Budget \$	2008 \$
Operating Expenditure			
Conferences & Training	200	3,500	711
Workers Compensation Insurance	6,268	5,548	4,179
Salaries	184,654	184,932	184,218
Superannuation	13,531	15,694	13,232
Uniforms, Clothing & Accessories	1,118	2,400	1,001
Travel & Accommodation	0	2,000	1,537
Telephone	2,971	2,000	2,464
Computer Equipment Maintenance	7,429	7,100	6,461
Other Operating Costs	207	1,000	702
Insurances	24,334	19,800	16,523
Promotional Material & Public Relations	13,756	15,000	13,566
Water Monitoring	10,565	10,000	2,527
Licence Fees	1,390	1,800	1,269
Other Operating Costs	2,926	3,000	3,149
Feed Purchases	0	4,000	2,578
Tools & Sundry	0	1,000	746
NSQA Expenses	0	5,000	0
Survey of Groundwater Bores	1,400	1,000	0
Environmental Services	3,670	7,000	4,946
Admin Services Allocation	52,543	52,105	71,849
Depreciation - Furniture & Fittings	20,286	18,656	17,790
Depreciation - Land and Buildings	85,001	84,247	83,925
Depreciation - Plant, Machinery & Equip	10,654	10,654	10,723
Loss on Sale of Assets	0	656	0
Annual Leave Accrual	0	0	4,002
Long Service Leave Accrual	8	0	346
Building Maintenance	6,171	9,500	8,208
Building Operating	20,637	22,000	21,604
Grounds Maintenance	46,460	45,000	40,962
Motor Vehicle Allocations	3,689	10,000	10,558
Loan No. 83 - Saleyards	11,315	11,965	11,217
Loan No. 84 - Saleyards	69,755	72,070	67,852
Loan No. 89 - Saleyards	73,663	74,243	75,792
Total Operating Expenditure	674,601	702,870	684,637
Operating Profit / (Loss)	(119,411)	(197,370)	(42,332)

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

34. Financial Risk Management

The Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

The Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,775,912	2,000,254	1,775,912	2,000,254
Receivables	784,265	784,447	784,265	784,447
Available for Sale Financial Assets (Shares)	4,692	4,692	4,692	4,692
	<u>2,564,869</u>	<u>2,789,393</u>	<u>2,564,869</u>	<u>2,789,393</u>
Financial Liabilities				
Payables	263,102	291,976	263,102	291,976
Borrowings	4,884,612	5,088,532	4,445,158	4,320,487
	<u>5,147,714</u>	<u>5,380,508</u>	<u>4,708,260</u>	<u>4,612,463</u>

Fair value is determined as follows:

- * Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- * Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- * Available For Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

(a) Cash and Cash Equivalents

Available-for-sale financial assets

The Council's objective is to support the local community bank and achieve a moderate return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Corporate Services Section manages the cash and investments portfolio with the assistance of Bendigo Bank advisors. The Council has an investment policy and the policy is subject to review by the Council.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Council.

The Council manages these risks by investing in low risk Bendigo Bank term deposits and NCD's. Bendigo Bank has a BBB+ credit rating, the highest for its size and traditionally has a conservative portfolio.

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

34. Financial Risk Management (Continued)

(a) Cash and Cash Equivalents (Continued)

Available-for-sale financial assets (Continued)

	30-Jun-09	30-Jun-08
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	469	469
- Income Statement	469 (+)	469 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	23,796	27,307
- Income Statement	23,796	27,307

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

(+) Maximum impact.

(b) Receivables

The Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. The Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Council to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. The Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is monitored for acceptable collection performance. The Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	58.01%	51.07%
- Overdue	41.99%	48.93%

Shire Of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2009

34. Financial Risk Management (Continued)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due Within One (1) Year \$	Due Between One (1) & Five (5) Years \$	Due After Five (5) Years \$	Total Contractual Cash Flows \$	Carrying Values \$
<u>2009</u>					
Payables	263,102	0	0	263,102	263,102
Borrowings	<u>562,959</u>	<u>2,248,365</u>	<u>4,770,157</u>	<u>7,581,482</u>	<u>5,037,430</u>
	<u><u>826,061</u></u>	<u><u>2,248,365</u></u>	<u><u>4,770,157</u></u>	<u><u>7,844,584</u></u>	<u><u>5,300,532</u></u>
<u>2008</u>					
Payables	291,976	0	0	291,976	291,976
Borrowings	<u>518,443</u>	<u>2,066,878</u>	<u>5,078,482</u>	<u>7,663,803</u>	<u>4,884,612</u>
	<u><u>810,419</u></u>	<u><u>2,066,878</u></u>	<u><u>5,078,482</u></u>	<u><u>7,955,779</u></u>	<u><u>5,176,588</u></u>